

HOUSE BILL No. 1091

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 8-22-3.5-9; IC 32-21-2-13; IC 32-28-3; IC 36-1-8-14.2; IC 36-2; IC 36-3; IC 36-5-1-3; IC 36-6; IC 36-7.

Synopsis: Property tax assessment duties. Assigns the duty of assessing real property to the county assessor instead of the township trustee assessor.

Effective: July 1, 2004.

Saunders, Welch

January 20, 2004, read first time and referred to Committee on Appointments and Claims.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

HOUSE BILL No. 1091

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-1-1.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1.5. (a) "Assessing
3 official" means:

- 4 (1) a township assessor; ~~including a trustee assessor~~; or
5 (2) a member of a county property tax assessment board of
6 appeals.

7 (b) The term "assessing official" does not grant a member of the
8 county property tax assessment board of appeals primary assessing
9 functions except as may be granted to the member by law.

10 SECTION 2. IC 6-1.1-1-5.5 IS ADDED TO THE INDIANA CODE
11 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
12 1, 2004]: **Sec. 5.5. "Elected township assessor" refers to an elected**
13 **township assessor under IC 36-6-5-1.**

14 SECTION 3. IC 6-1.1-1-15, AS AMENDED BY P.L.92-2003,
15 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2004]: Sec. 15. "Real property" means:

- 17 (1) land located within this state;

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- (2) a building or fixture situated on land located within this state;
- (3) an appurtenance to land located within this state;
- (4) an estate in land located within this state, or an estate, right, or privilege in mines located on or minerals, including but not limited to oil or gas, located in the land, if the estate, right, or privilege is distinct from the ownership of the surface of the land; and

(5) notwithstanding IC 6-6-6-7, a riverboat:

(A) licensed under IC 4-33; or

(B) operated under an operating agent contract under IC 4-33-6.5;

for which the department of local government finance shall prescribe standards to be used by township assessors: **to determine assessments.**

SECTION 4. IC 6-1.1-1-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 22. "Township assessor" includes:

(1) an elected township assessor; or

(2) a township trustee who is required by law to act as the assessor for the township he the trustee serves.

SECTION 5. IC 6-1.1-4-12.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 12.4. (a) For purposes of this section, the term "oil or gas interest" includes, but is not limited to:

(1) royalties;

(2) overriding royalties;

(3) mineral rights; or

(4) working interest; in any oil or gas located on or beneath the surface of land which lies within this state.

(b) Oil or gas interest is subject to assessment and taxation as real property. Notwithstanding the provisions of IC 1971, 6-1.1-4-4, IC 6-1.1-4-4, each oil or gas interest shall be assessed annually by:

(1) the elected assessor of the township in which the oil or gas is located; or

(2) the county assessor for a township in which the county assessor assesses real property.

The **elected township assessor or the county assessor** shall assess the oil or gas interest to the person who owns or operates the interest.

(c) A piece of equipment is an appurtenance to land if it is incident to and necessary for the production of oil and gas from the land covered by the oil or gas interest. This equipment includes, but is not limited to, wells, pumping units, lines, treaters, separators, tanks, and secondary recovery facilities. These appurtenances are subject to

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1 ~~assessment~~ **assessment** as real property. Notwithstanding the provisions
 2 of ~~IC 1971, 6-1.1-4-4, IC 6-1.1-4-4~~, each of these appurtenances shall
 3 be assessed annually by:

- 4 (1) the **elected** assessor of the township in which the
 5 appurtenance is located; **or**
 6 (2) the **county assessor for a township in which the county**
 7 **assessor assesses real property.**

8 The **elected** township assessor **or the county assessor** shall assess the
 9 appurtenance to the person who owns or operates the working interest
 10 in the oil or gas interest.

11 SECTION 6. IC 6-1.1-4-12.6, AS ADDED BY P.L.198-2001,
 12 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2004]: Sec. 12.6. (a) For purposes of this section, the term
 14 "secondary recovery method" includes but is not limited to the
 15 stimulation of oil production by means of the injection of water, steam,
 16 hydrocarbons, or chemicals, or by means of in situ combustion.

17 (b) The total assessed value of all interests in the oil located on or
 18 beneath the surface of a particular tract of land equals the product of:

- 19 (1) the average daily production of the oil; multiplied by
 20 (2) three hundred sixty-five (365); and multiplied by
 21 (3) the posted price of oil on the assessment date.

22 However, if the oil is being extracted by use of a secondary recovery
 23 method, the total assessed value of all interests in the oil equals
 24 one-half (1/2) the assessed value computed under the formula
 25 prescribed in this subsection. The appropriate township assessor shall,
 26 in the manner prescribed by the department of local government
 27 finance, apportion the total assessed value of all interests in the oil
 28 among the owners of those interests.

29 (c) The appropriate township assessor shall, in the manner
 30 prescribed by the department of local government finance, determine
 31 and apportion the total assessed value of all interests in the gas located
 32 beneath the surface of a particular tract of land.

33 (d) The department of local government finance shall prescribe a
 34 schedule for **elected** township assessors **and county assessors** to use
 35 in assessing the appurtenances described in section 12.4 (c) of this
 36 chapter.

37 SECTION 7. IC 6-1.1-4-13, AS AMENDED BY P.L.178-2002,
 38 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2004]: Sec. 13. (a) In assessing or reassessing land, the land
 40 shall be assessed as agricultural land only when it is devoted to
 41 agricultural use.

42 (b) The department of local government finance shall give written

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notice to each county assessor of:

(1) the availability of the United States Department of Agriculture's soil survey data; and

(2) the appropriate soil productivity factor for each type or classification of soil shown on the United States Department of Agriculture's soil survey map.

All ~~assessing officials~~ **elected township assessors, all county assessors**, and the property tax assessment board of appeals shall use the data in determining the true tax value of agricultural land.

(c) The department of local government finance shall by rule provide for the method for determining the true tax value of each parcel of agricultural land.

(d) This section does not apply to land purchased for industrial, commercial, or residential uses.

SECTION 8. IC 6-1.1-4-13.6, AS AMENDED BY P.L.90-2002, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 13.6. (a) The:

(1) elected township assessor; or

(2) county assessor for a township in which the county assessor assesses real property;

shall determine the values of all classes of commercial, industrial, and residential land (including farm homesites) in the township using guidelines determined by the department of local government finance. Not later than November 1 of the year preceding the year in which a general reassessment becomes effective, the assessor determining the values of land shall submit the values to the county property tax assessment board of appeals. Not later than December 1 of the year preceding the year in which a general reassessment becomes effective, the county property tax assessment board of appeals shall hold a public hearing in the county concerning those values. The property tax assessment board of appeals shall give notice of the hearing in accordance with IC 5-3-1 and shall hold the hearing after March 31 and before December 1 of the year preceding the year in which the general reassessment under IC 6-1.1-4-4 becomes effective.

(b) **Except as provided in subsection (d)**, the county property tax assessment board of appeals shall review the values submitted under subsection (a) and may make any modifications it considers necessary to provide uniformity and equality. The county property tax assessment board of appeals shall coordinate the valuation of property adjacent to the boundaries of the county with the county property tax assessment boards of appeals of the adjacent counties using the procedures adopted by rule under IC 4-22-2 by the department of local government finance.

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If the county assessor or **elected** township assessor fails to submit land values under subsection (a) to the county property tax assessment board of appeals before November 1 of the year before the date the general reassessment under IC 6-1.1-4-4 becomes effective, the county property tax assessment board of appeals shall determine the values. If the county property tax assessment board of appeals fails to determine the values before the general reassessment becomes effective, the department of local government finance shall determine the values.

(c) The county assessor shall notify all **elected** township assessors in the county of the values as modified by the county property tax assessment board of appeals. **The elected township assessors, assessor, or the county assessor for a township in which the county assessor assesses real property**, shall use the values determined under this section.

(d) With respect to a township for which the county assessor assesses real property, the county assessor is recused from any action the county property tax assessment board of appeals takes with respect to land values under subsection (b).

SECTION 9. IC 6-1.1-4-13.8, AS ADDED BY P.L.198-2001, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 13.8. (a) As used in this section, "commission" refers to a county land valuation commission established under subsection (b).

(b) A county land valuation commission is established in each county for the purpose of determining the value of commercial, industrial, and residential land (including farm homesites) in the county.

(c) The county assessor is chairperson of the commission.

(d) The following are members of the commission:

(1) The county assessor. The county assessor shall cast a vote only to break a tie.

(2) Each **elected** township assessor, when the respective township land values for that township assessor's township are under consideration. ~~A~~ **An elected** township assessor serving under this subdivision shall vote on all matters relating to the land values of that ~~township~~ assessor's township.

(3) One (1) **elected** township assessor from the county to be appointed by a majority vote of all the **elected** township assessors in the county.

(4) One (1) county resident who:

(A) holds a license under IC 25-34.1-3 as a salesperson or broker; and

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- 1 (B) is appointed by:
 2 (i) the board of commissioners (as defined in IC 36-3-3-10)
 3 for a county having a consolidated city; or
 4 (ii) the county executive (as defined in IC 36-1-2-5) for a
 5 county not described in item (i).
 6 (5) Four (4) individuals who:
 7 (A) are appointed by the county executive (as defined in
 8 IC 36-1-2-5); and
 9 (B) represent one (1) of the following four (4) kinds of land in
 10 the county:
 11 (i) Agricultural.
 12 (ii) Commercial.
 13 (iii) Industrial.
 14 (iv) Residential.
 15 Each of the four (4) kinds of land in the county must be
 16 represented by one (1) individual appointed under this
 17 subdivision.
 18 (6) One (1) individual who:
 19 (A) represents financial institutions in the county; and
 20 (B) is appointed by:
 21 (i) the board of commissioners (as defined in IC 36-3-3-10)
 22 for a county having a consolidated city; or
 23 (ii) the county executive (as defined in IC 36-1-2-5) for a
 24 county not described in item (i).
 25 (e) The term of each member of the commission begins November
 26 1 of the year that precedes by two (2) years the year in which a general
 27 reassessment begins under IC 6-1.1-4-4, and ends January 1 of the year
 28 in which the general reassessment begins under IC 6-1.1-4-4. The
 29 appointing authority may fill a vacancy for the remainder of the vacated
 30 term.
 31 (f) The commission shall determine the values of all classes of
 32 commercial, industrial, and residential land (including farm homesites)
 33 in the county using guidelines determined by the department of local
 34 government finance. Not later than November 1 of the year preceding
 35 the year in which a general reassessment begins, the commission
 36 determining the values of land shall submit the values, all data
 37 supporting the values, and all information required under rules of the
 38 department of local government finance relating to the determination
 39 of land values to the county property tax assessment board of appeals
 40 and the department of local government finance. Not later than January
 41 1 of the year in which a general reassessment begins, the county
 42 property tax assessment board of appeals shall hold a public hearing in

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the county concerning those values. The property tax assessment board of appeals shall give notice of the hearing in accordance with IC 5-3-1 and shall hold the hearing after March 31 of the year preceding the year in which the general reassessment begins and before January 1 of the year in which the general reassessment under IC 6-1.1-4-4 begins.

(g) The county property tax assessment board of appeals shall review the values, data, and information submitted under subsection (f) and may make any modifications it considers necessary to provide uniformity and equality. The county property tax assessment board of appeals shall coordinate the valuation of property adjacent to the boundaries of the county with the county property tax assessment boards of appeals of the adjacent counties using the procedures adopted by rule under IC 4-22-2 by the department of local government finance. If the commission fails to submit land values under subsection (f) to the county property tax assessment board of appeals before January 1 of the year the general reassessment under IC 6-1.1-4-4 begins, the county property tax assessment board of appeals shall determine the values.

(h) The county property tax assessment board of appeals shall give notice to the county **assessor** and **elected** township assessors of its decision on the values. The notice must be given before March 1 of the year the general reassessment under IC 6-1.1-4-4 begins. Not later than twenty (20) days after that notice, the county assessor or ~~a~~ **an elected** township assessor in the county may request that the county property tax assessment board of appeals reconsider the values. The county property tax assessment board of appeals shall hold a hearing on the reconsideration in the county. The county property tax assessment board of appeals shall give notice of the hearing under IC 5-3-1.

(i) Not later than twenty (20) days after notice to the county **assessor** and **elected** township assessor is given under subsection (h), a taxpayer may request that the county property tax assessment board of appeals reconsider the values. The county property tax assessment board of appeals may hold a hearing on the reconsideration in the county. The county property tax assessment board of appeals shall give notice of the hearing under IC 5-3-1.

(j) A taxpayer may appeal the value determined under this section as applied to the taxpayer's land as part of an appeal filed under IC 6-1.1-15 after the taxpayer has received a notice of assessment. If a taxpayer that files an appeal under IC 6-1.1-15 requests the values, data, or information received by the county property tax assessment board of appeals under subsection (f), the county property tax assessment board of appeals shall satisfy the request. The department of local government finance may modify the taxpayer's land value and

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the value of any other land in the township, the county where the taxpayer's land is located, or the adjacent county if the department of local government finance determines it is necessary to provide uniformity and equality.

(k) The county assessor shall notify all **elected** township assessors in the county of the values as determined by the commission and as modified by the county property tax assessment board of appeals or department of local government finance under this section. **The elected township assessors, assessor, or the county assessor for a township in which the county assessor assesses real property**, shall use the values determined under this section.

SECTION 10. IC 6-1.1-4-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 15. (a) If real property is subject to assessment or reassessment under this chapter:

(1) for assessment dates before January 1, 2005, the township assessor of the township in which the property is located; or

(2) for assessment dates after December 31, 2004, the elected township assessor or, if an elected township assessor is not required under IC 36-6-5-1 in the township in which the property is located, the county assessor;

shall either appraise the property ~~himself~~ or have it appraised.

(b) In order to determine the assessed value of buildings and other improvements, the:

(1) township assessor;

(2) county assessor; or

(3) his authorized representative of the township assessor or the county assessor;

may, after first making known ~~his intention~~ to the owner or occupant **the intention to enter and examine**, enter and fully examine all buildings and structures ~~which that~~ are located within the township ~~he serves and which that~~ are subject to assessment.

SECTION 11. IC 6-1.1-4-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 16. (a) For purposes of making a general reassessment of real property, any **elected** township assessor and any county assessor may employ:

(1) deputies;

(2) employees; and

(3) technical advisors who are qualified to determine real property values.

The assessor may employ a technical advisor either on a full-time or a part-time basis.

(b) The county council of each county shall appropriate the funds

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necessary for the employment of deputies, employees, or technical advisors employed under subsection (a) of this section.

SECTION 12. IC 6-1.1-4-17, AS AMENDED BY P.L.90-2002, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 17. (a) Subject to the approval of the department of local government finance and the requirements of section 18(a) of this chapter: ~~a~~:

(1) **an elected** township assessor; or

(2) **a** group consisting of the county assessor and the **elected** township assessors in a county; may employ professional appraisers as technical advisors.

(b) After notice to the county assessor and all **elected** township assessors in the county, a majority of the assessors authorized to vote under this subsection may vote to:

(1) employ a professional appraiser to act as a technical advisor in the county during a general reassessment period;

(2) appoint an assessor or a group of assessors to:

(A) enter into and administer the contract with a professional appraiser employed under this section; and

(B) oversee the work of a professional appraiser employed under this section.

Each **elected** township assessor and the county assessor has one (1) vote. A decision by a majority of the persons authorized to vote is binding on the county assessor and all **elected** township assessors in the county. Subject to the limitations contained in section 18(a) of this chapter, the assessor or assessors appointed under subdivision (2) may contract with a professional appraiser employed under this section to supply technical advice during a general reassessment period for all townships in the county. A proportionate part of the appropriation to all townships for assessing purposes shall be used to pay for the technical advice.

(c) As used in this chapter, "professional appraiser" means an individual or firm that is certified under IC 6-1.1-31.7.

SECTION 13. IC 6-1.1-4-18.5, AS ADDED BY P.L.198-2001, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 18.5. (a) ~~A~~ **An elected** township assessor, a group of **elected** township assessors, or the county assessor may not use the services of a professional appraiser for assessment or reassessment purposes without a written contract. The contract used must be either a standard contract developed by the state board of tax commissioners (before the board was abolished) or the department of local government finance or a contract which has been specifically approved by the board

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or the department. The department shall ensure that the contract:

(1) includes all of the provisions required under section 19.5(b) of this chapter; and

(2) adequately provides for the creation and transmission of real property assessment data in the form required by the legislative services agency and the division of data analysis of the department.

(b) No contract shall be made with any professional appraiser to act as technical advisor in the assessment of property, before the giving of notice and the receiving of bids from anyone desiring to furnish this service. Notice of the time and place for receiving bids for the contract shall be given by publication by one (1) insertion in two (2) newspapers of general circulation published in the county and representing each of the two (2) leading political parties in the county; or if only one (1) newspaper is ~~there~~ published ~~there~~, notice in that one (1) newspaper is sufficient to comply with the requirements of this subsection. The contract shall be awarded to the lowest and best bidder who meets all requirements under law for entering a contract to serve as technical advisor in the assessment of property. However, any and all bids may be rejected, and new bids may be asked.

(c) The county council of each county shall appropriate the funds needed to meet the obligations created by a professional appraisal services contract which is entered into under this chapter.

SECTION 14. IC 6-1.1-4-19.5, AS ADDED BY P.L.198-2001, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 19.5. (a) The department of local government finance shall develop a standard contract or standard provisions for contracts to be used in securing professional appraising services.

(b) The standard contract or contract provisions must contain:

(1) a fixed date by which the professional appraiser or appraisal firm shall have completed all responsibilities under the contract;

(2) a penalty clause under which the amount to be paid for appraisal services is decreased for failure to complete specified services within the specified time;

(3) a provision requiring the appraiser, or appraisal firm, to make periodic reports to the ~~township~~ assessors involved;

(4) a provision stipulating the manner in which, and the time intervals at which, the periodic reports referred to in subdivision (3) of this subsection are to be made;

(5) a precise stipulation of what service or services are to be provided and what class or classes of property are to be appraised;

(6) a provision stipulating that the contractor will generate

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complete parcel characteristics and parcel assessment data in a manner and format acceptable to the legislative services agency and the department of local government finance; and
 (7) a provision stipulating that the legislative services agency and the department of local government finance have unrestricted access to the contractor's work product under the contract.

The department of local government finance may devise other necessary provisions for the contracts in order to give effect to the provisions of this chapter.

(c) In order to comply with the duties assigned to it by this section, the department of local government finance may develop:

- (1) one (1) or more model contracts;
- (2) one (1) contract with alternate provisions; or
- (3) any combination of subdivisions (1) and (2).

The department may approve special contract language in order to meet any unusual situations.

SECTION 15. IC 6-1.1-4-20, AS AMENDED BY P.L.90-2002, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 20. The department of local government finance may establish a period with respect to each general reassessment that is the only time during which ~~a~~ **an elected township assessor** or **a** county assessor may enter into a contract with a professional appraiser. The period set by the department of local government finance may not begin before January 1 of the year the general reassessment begins. If no period is established by the department of local government finance, ~~a~~ **an elected township assessor** or **a** county assessor may enter into such a contract only on or after January 1 and before April 16 of the year in which the general reassessment is to commence.

SECTION 16. IC 6-1.1-4-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 21. (a) If, during a period of general reassessment, ~~a~~ **an elected township assessor, makes or a county assessor for a township in which the county assessor assesses real property, does not employ a professional appraiser or a professional appraisal firm to make** the real property appraisals, ~~himself~~, the appraisals of the parcels subject to taxation must be completed as follows:

- (1) The appraisal of one-fourth (1/4) of the parcels shall be completed before December 1 of the year in which the general reassessment begins.
- (2) The appraisal of one-half (1/2) of the parcels shall be completed before May 1 of the year following the year in which the general reassessment begins.

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(3) The appraisal of three-fourths (3/4) of the parcels shall be completed before October 1 of the year following the year in which the general reassessment begins.

(4) The appraisal of all the parcels shall be completed before March 1 of the second year following the year in which the general reassessment begins.

(b) If ~~a~~ **an elected** township assessor, **or a county assessor for a township in which the county assessor assesses real property**, employs a professional appraiser or a professional appraisal firm to make real property appraisals during a period of general reassessment, the professional appraiser or appraisal firm must file appraisal reports with the **elected** township assessor **or the county assessor** as follows:

(1) The appraisals for one-fourth (1/4) of the parcels shall be reported before December 1 of the year in which the general reassessment begins.

(2) The appraisals for one-half (1/2) of the parcels shall be reported before May 1 of the year following the year in which the general reassessment begins.

(3) The appraisals for three-fourths (3/4) of the parcels shall be reported before October 1 of the year following the year in which the general reassessment begins.

(4) The appraisals for all the parcels shall be reported before March 1 of the second year following the year in which the general reassessment begins.

However, the reporting requirements prescribed in this subsection do not apply if the contract under which the professional appraiser, or appraisal firm, is employed prescribes different reporting procedures.

SECTION 17. IC 6-1.1-4-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 22. (a) If any: ~~assessing official~~

(1) elected township assessor;

(2) county assessor; or any

(3) county property tax assessment board of appeals;

assesses or reassesses any real property under the provisions of this article, the ~~official assessor~~ or county property tax assessment board of appeals shall give notice to the taxpayer and the county assessor, by mail, of the amount of the assessment or reassessment.

(b) During a period of general reassessment, each **elected** township assessor **or county assessor** shall mail the notice required by this section ~~within~~ **not later than** ninety (90) days after ~~he~~ **the assessor:**

(1) completes ~~his~~ **the** appraisal of a parcel; or

(2) receives a report for a parcel from a professional appraiser or

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professional appraisal firm.

SECTION 18. IC 6-1.1-4-25, AS AMENDED BY P.L.178-2002, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 25. (a) Each **elected** township assessor ~~or county assessor~~ shall keep the assessor's reassessment data and records current by securing the necessary field data and by making changes in the assessed value of real property as changes occur in the use of the real property. The ~~township~~ assessor's records shall at all times show the assessed value of real property in accordance with the provisions of this chapter. ~~The~~ **An elected** township assessor shall ensure that the county assessor has full access to the assessment records maintained by the **elected** township assessor.

(b) The **elected** township assessor in a county having a consolidated city, or the county assessor in every other county, shall:

(1) maintain an electronic data file of:

(A) the parcel characteristics and parcel assessments of all parcels; and

(B) the personal property return characteristics and assessments by return;

for each township in the county as of each assessment date;

(2) maintain the file in the form required by:

(A) the legislative services agency; and

(B) the department of local government finance; and

(3) transmit the data in the file with respect to the assessment date of each year before October 1 of the year to:

(A) the legislative services agency; and

(B) the department of local government finance.

SECTION 19. IC 6-1.1-4-28.5, AS ADDED BY P.L.198-2001, SECTION 122, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 28.5. (a) Money assigned to a property reassessment fund under section 27.5 of this chapter may be used only to pay the costs of:

(1) the general reassessment of real property, including the computerization of assessment records;

(2) payments to county assessors ~~members of property tax assessment boards of appeals, or assessing officials elected township assessors~~ under IC 6-1.1-35.2;

(3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;

(4) the updating of plat books; and

(5) payments for the salary of permanent staff or for the

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contractual services of temporary staff who are necessary to assist:

(A) elected township assessors;

(B) county assessors; and

(C) members of a county property tax assessment board of appeals. and assessing officials.

(b) All counties shall use modern, detailed soil maps in the general reassessment of agricultural land.

(c) The county treasurer of each county shall, in accordance with IC 5-13-9, invest any money accumulated in the property reassessment fund until the money is needed to pay general reassessment expenses. Any interest received from investment of the money shall be paid into the property reassessment fund.

(d) An appropriation under this section must be approved by the fiscal body of the county after the review and recommendation of the county assessor. However, in a county with an elected township assessor under IC 36-6-5-1 in every township, the county assessor does not review an appropriation under this section, and only the fiscal body must approve an appropriation under this section.

SECTION 20. IC 6-1.1-4-29, AS AMENDED BY P.L.90-2002, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 29. (a) The expenses of a reassessment, except those incurred by the department of local government finance in performing its normal functions, shall be paid by the county in which the reassessed property is situated. These expenses, except for the expenses of a general reassessment, shall be paid from county funds. The county auditor shall issue warrants for the payment of reassessment expenses. No prior appropriations are required in order for the auditor to issue warrants.

(b) An order of the department of local government finance directing the reassessment of property shall contain an estimate of the cost of making the reassessment. The: ~~local assessing officials; the~~

(1) elected township assessors;

(2) county assessor; the

(3) county property tax assessment board of appeals; and the

(4) county auditor;

may not exceed the amount so estimated by the department of local government finance.

SECTION 21. IC 6-1.1-5-8, AS AMENDED BY P.L.90-2002, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 8. (a) Except as provided in section 9 of this chapter, the county auditor of each county shall annually prepare and

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1 deliver to the:

2 (1) **elected** township assessor; or

3 (2) **county assessor for a township in which the county**
4 **assessor assesses real property;**

5 a list of all real property entered in the township as of the assessment
6 date.

7 (b) The county auditor shall:

8 (1) deliver the list ~~within~~ **not later than** thirty (30) days after the
9 assessment date; ~~The county auditor shall and~~

10 (2) prepare the list in the form prescribed or approved by the
11 department of local government finance.

12 SECTION 22. IC 6-1.1-5-9.1, AS AMENDED BY P.L.178-2002,
13 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2004]: Sec. 9.1. (a) Except:

15 (1) as provided in subsection (b); and

16 (2) for civil townships described in section 9 of this chapter;
17 and notwithstanding the provisions of sections 1 through 8 of this
18 chapter, for all other civil townships having a population of thirty-five
19 thousand (35,000) or more, for a civil township that falls below a
20 population of thirty-five thousand (35,000) at a federal decennial
21 census that takes effect after December 31, 2001, and for all other civil
22 townships in which a city of the second class is located, the **elected**
23 township assessor shall make the real property lists and the plats
24 described in sections 1 through 8 of this chapter.

25 (b) In a civil township that attains a population of thirty-five
26 thousand (35,000) or more at a federal decennial census that takes
27 effect after December 31, 2001, the county auditor shall make the real
28 property lists and the plats described in sections 1 through 8 of this
29 chapter unless the **elected** township assessor determines to assume the
30 duty from the county auditor.

31 (c) With respect to townships in which the **elected** township
32 assessor makes the real property lists and the plats described in
33 sections 1 through 8 of this chapter, the county auditor shall, upon
34 completing the tax duplicate, return the real property lists to the **elected**
35 township assessor for the continuation of the lists by the assessor. If
36 land located in one (1) of these townships is platted, the plat shall be
37 presented to the **elected** township assessor instead of the county
38 auditor, before it is recorded. The **elected** township assessor shall then
39 enter the lots or parcels described in the plat on the tax lists in lieu of
40 the land included in the plat.

41 SECTION 23. IC 6-1.1-5-10 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 10. If: a

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1 (1) an elected township assessor; or

2 (2) a county assessor for a township in which the county
3 assessor assesses real property;

4 believes that it is necessary to obtain an accurate description of a
5 specific lot or tract ~~which that~~ is situated in the township ~~he the~~
6 assessor serves, the assessor may demand in writing that the owner or
7 occupant of the lot or tract deliver all the title papers in his possession
8 to the assessor for ~~his~~ examination. If the person fails to deliver the title
9 papers to the assessor at ~~his the assessor's~~ office ~~within not later than~~
10 five (5) days after the demand is mailed, the assessor shall prepare the
11 real property list according to the best information ~~he can obtain~~
12 available. For that purpose, the assessor may examine, under oath, any
13 person whom ~~he the assessor~~ believes has any knowledge relevant to
14 the issue.

15 SECTION 24. IC 6-1.1-5-11 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 11. (a) In order to
17 determine the quantity of land contained within a tract:

18 (1) an elected township assessor; or

19 (2) a county assessor for a township in which the county
20 assessor assesses real property;

21 shall follow the rules contained in this section.

22 (b) Except as provided in subsection (c), ~~of this section~~, the assessor
23 shall recognize the quantity of land stated in a deed or patent if the
24 owner or person in whose name the property is listed holds the land by
25 virtue of:

26 (1) a deed from another party or from this state; or

27 (2) a patent from the United States.

28 (c) If land described in subsection (b) ~~of this section~~ has been
29 surveyed subsequent to the survey made by the United States and if the
30 township assessor is satisfied that the tract contains a different quantity
31 of land than is stated in the patent or deed, the assessor shall recognize
32 the quantity of land stated in the subsequent survey.

33 (d) Except as provided in subsection (e), ~~of this section~~, a township
34 an assessor shall demand in writing that the owner of a tract, or person
35 in whose name the land is listed, have the tract surveyed and that ~~he~~
36 the party return a sworn certificate from the surveyor stating the
37 quantity of land contained in the tract if:

38 (1) the land was within the French or Clark's grant; and

39 (2) the party holds the land under original entry or survey.

40 If the party fails to return the certificate ~~within not later than~~ thirty
41 (30) days after the demand is mailed, the assessor shall have a surveyor
42 survey the land. The expenses of a survey made under this subsection

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shall be paid for from the county treasury. However, the county auditor shall charge the survey expenses against the land, and the expenses shall be collected with the taxes payable in the succeeding year.

(e) ~~A township~~ **An** assessor shall not demand a survey of land described in subsection (d) ~~of this section~~ if:

(1) the owner or holder of the land has previously had it surveyed and presents to the assessor a survey certificate which states the quantity of land; or

(2) the assessor is satisfied from other competent evidence, given under oath or affirmation, that the quantity of land stated in the original survey is correct.

SECTION 25. IC 6-1.1-5-14, AS AMENDED BY P.L.90-2002, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 14. Not later than May 15, each ~~assessing official~~ **elected township assessor** shall prepare and deliver to the county assessor a detailed list of the real property listed for taxation in the township. On or before July 1 of each year, each county assessor shall, under oath, prepare and deliver to the county auditor a detailed list of the real property listed for taxation in the county. In a county with an elected township assessor ~~under IC 36-6-5-1~~ in every township the township assessor shall prepare the real property list. The ~~assessing officials and the county~~ assessor shall prepare the list in the form prescribed by the department of local government finance. ~~The An~~ **elected** township assessor shall ensure that the county assessor has full access to the assessment records maintained by the **elected** township assessor.

SECTION 26. IC 6-1.1-5-15, AS AMENDED BY P.L.90-2002, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 15. (a) Except as provided in subsection (b), before an owner of real property demolishes, structurally modifies, or improves it at a cost of more than five hundred dollars (\$500) for materials or labor, or both, the owner or the owner's agent shall file with the county assessor in the county where the property is located an assessment registration notice on a form prescribed by the department of local government finance.

(b) If the owner of the real property, or the person performing the work for the owner, is required to obtain a permit from an agency or official of the state or a political subdivision for the demolition, structural modification, or improvement, the owner or the person performing the work for the owner is not required to file an assessment registration notice.

(c) Each state or local government official or agency shall, before

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the tenth day of each month, deliver a copy of each permit described in subsection (b) to the assessor of the county in which the real property to be improved is situated.

(d) Before the last day of each month, the county assessor shall distribute a copy of each assessment registration notice filed under subsection (a) or permit received under subsection (b) to ~~the~~ **each elected township** assessor of ~~the~~ **a** township in which ~~the~~ real property to be demolished, modified, or improved is situated.

(e) A fee of five dollars (\$5) shall be charged by the county assessor for the filing of the assessment registration notice. All fees collected by the county assessor shall be deposited in the county property reassessment fund.

(f) A township or county assessor shall immediately notify the county treasurer if the assessor discovers property that has been improved or structurally modified at a cost of more than five hundred dollars (\$500) and the owner of the property has failed to obtain the required building permit or to file an assessment registration notice.

(g) Any person who fails to:

(1) file the registration notice required by subsection (a); or

(2) obtain a building permit described in subsection (b);

before demolishing, structurally modifying, or improving real property is subject to a civil penalty of one hundred dollars (\$100). The county treasurer shall include the penalty on the person's property tax statement and collect it in the same manner as delinquent personal property taxes under IC 6-1.1-23. However, if a person files a late registration notice, the person shall pay the fee, if any, and the penalty to the county assessor at the time the person files the late registration notice.

SECTION 27. IC 6-1.1-5-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 16. If an owner of existing contiguous parcels makes a written request that includes a legal description of the existing contiguous parcels sufficient for:

(1) ~~the assessing official~~ **elected township assessor; or**

(2) **the county assessor for a township in which the county assessor assesses real property;**

to identify each parcel and the area of all contiguous parcels, the ~~assessing official~~ **assessor** shall consolidate more than one (1) existing contiguous parcel into a single parcel to the extent that the existing contiguous parcels are in a single taxing district and the same section. For existing contiguous parcels in more than one (1) taxing district or one (1) section, the ~~assessing official~~ **assessor** shall, upon written request by the owner, consolidate the existing contiguous parcels in

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each taxing district and each section into a single parcel. An ~~assessing official~~ **assessor** shall consolidate more than one (1) existing contiguous parcel into a single parcel if the ~~assessing official~~ **assessor** has knowledge that an improvement to the real property is located on or otherwise significantly affects the parcels.

SECTION 28. IC 6-1.1-5.5-3, AS AMENDED BY P.L.245-2003, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) Before filing a conveyance document with the county auditor under IC 6-1.1-5-4, all the parties to the conveyance must complete and sign a sales disclosure form as prescribed by the department of local government finance under section 5 of this chapter. All the parties may sign one (1) form, or if all the parties do not agree on the information to be included on the completed form, each party may sign and file a separate form.

(b) Except as provided in subsection (c), the auditor shall forward each sales disclosure form to the county assessor. The county assessor shall retain the forms for five (5) years. The county assessor shall forward the sales disclosure form data to the department of local government finance and the legislative services agency, in electronic format if possible. The county assessor shall forward a copy of the sales disclosure forms to the **elected** township assessors in the county. The forms may be used by the ~~county assessing officials~~, **assessors**, the department of local government finance, and the legislative services agency for the purposes established in IC 6-1.1-4-13.6, sales ratio studies, equalization, and any other authorized purpose.

(c) In a county containing a consolidated city, the auditor shall forward the sales disclosure form to the appropriate **elected** township assessor. The **elected** township assessor shall forward the sales disclosure form to the department of local government finance and the legislative services agency, in electronic format if possible. The **elected** township assessor shall forward a copy of the sales disclosure forms to the **other elected** township assessors in the county. The forms may be used by the ~~county assessing officials~~, **assessors**, the department of local government finance, and the legislative services agency for the purposes established in IC 6-1.1-4-13.6, sales ratio studies, equalization, and any other authorized purpose.

SECTION 29. IC 6-1.1-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. A person who permits a mobile home to be placed on any land ~~which he~~ **that the person** owns, possesses, or controls shall report that fact to the:

(1) **elected township** assessor of the township in which the land is located; ~~within or~~

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(2) county assessor for a township in which the county assessor assesses real property;

not later than ten (10) days after the mobile home is placed on the land. The ten (10) day period commences the day after the day that the mobile home is placed upon the land.

SECTION 30. IC 6-1.1-7-5, AS AMENDED BY P.L.90-2002, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. A mobile home ~~which that~~ is subject to taxation under this chapter shall be assessed by the:

(1) elected township assessor of the township within which the place of assessment is located; **or**

(2) county assessor for a township in which the county assessor assesses real property.

Each **elected township assessor** ~~of a~~ **or county assessor** shall certify the assessments of mobile homes to the county auditor in the same manner provided for the certification of personal property assessments. The **elected township assessor or the county assessor** shall make this certification on the forms prescribed by the department of local government finance.

SECTION 31. IC 6-1.1-8-24, AS AMENDED BY P.L.90-2002, SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 24. (a) Each year ~~a~~ **an elected township assessor, or a county assessor for a township in which the county assessor assesses real property,** shall assess the fixed property ~~which~~ **consisting of real property that** as of the assessment date of that year is:

(1) owned or used by a public utility company; and

(2) located in the township the township assessor serves.

(b) Each year a township assessor shall assess the fixed property consisting of personal property that as of the assessment date of that year is:

(1) owned or used by a public utility company; and

(2) located in the township the assessor serves.

(c) The township assessor shall ~~determine the assessed value of fixed property.~~ The township assessor shall certify the assessed values determined under subsections (a) and (b) to the county assessor on or before April 1 of the year of assessment. However, in a county with an elected township assessor under IC 36-6-5-1 in every township the township assessor shall certify the list to the department of local government finance. The county assessor shall review the assessed values and shall certify the assessed values to the department of local government finance on or before April 10 of the year of assessment.

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SECTION 32. IC 6-1.1-8-33 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 33. A public utility company may appeal: ~~a~~

(1) ~~a township assessor's assessment; or~~

(2) ~~a county assessor's assessment;~~

of fixed property in the same manner that ~~it~~ **the company** may appeal ~~a township assessor's an~~ assessment of tangible property under ~~IC 1971, 6-1.1-15; IC 6-1.1-15.~~

SECTION 33. IC 6-1.1-8-39, AS AMENDED BY P.L.90-2002, SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 39. The annual assessments of a public utility company's property are presumed to include all the company's property which is subject to taxation under this chapter. However, this presumption does not preclude the subsequent assessment of a specific item of tangible property which is clearly shown to have been omitted from the assessments for that year. The appropriate township assessor shall make assessments of omitted fixed property **that consists of personal property. The appropriate elected township assessor, or the county assessor for a township in which the county assessor assesses real property, shall make assessments of omitted fixed property that consists of real property.** The department of local government finance shall make assessments of omitted distributable property. However, the department of local government finance may not assess omitted distributable property after the expiration of ten (10) years from the last day of the year in which the assessment should have been made.

SECTION 34. IC 6-1.1-8.5-7, AS AMENDED BY P.L.90-2002, SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 7. (a) The **elected** township assessor of each township in a qualifying county, **or the county assessor for a township in which the county assessor assesses real property,** shall notify the department of local government finance of a newly constructed industrial facility that is located in the township served by the ~~township~~ assessor.

(b) Each building commissioner in a qualifying county shall notify the department of local government finance of a newly constructed industrial facility that is located in the jurisdiction served by the building commissioner.

(c) The department of local government finance shall schedule an assessment under this chapter of a newly constructed industrial facility **within not later than** six (6) months after receiving notice of the construction from the appropriate ~~township~~ assessor or building

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commissioner.

SECTION 35. IC 6-1.1-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) If: ~~α~~

(1) **an elected** township assessor;

(2) **a county assessor for a township in which the county assessor assesses real property;** or

(3) **a county property tax assessment board of appeals;** believes that any taxable ~~tangible~~ **real** property has been omitted from or undervalued on the assessment rolls or the tax duplicate for any year or years, the ~~official~~ **assessor** or board shall give written notice under ~~IC 6-1.1-3-20~~ or IC 6-1.1-4-22 of the assessment or increase in assessment.

(b) If:

(1) **a township assessor;**

(2) **a county assessor; or**

(3) **a county property tax assessment board of appeals;** believes that any taxable **personal property** has been omitted from or undervalued on the assessment rolls or the tax duplicate for any year or years, the assessor or board shall give written notice under **IC 6-1.1-3-20 of the assessment or increase in assessment.**

(c) The notice **under subsection (a) or (b)** shall contain a general description of the property and a statement describing the taxpayer's right to file a petition for review with the county property tax assessment board of appeals under IC 6-1.1-15-1.

SECTION 36. IC 6-1.1-11-3, AS AMENDED BY P.L.264-2003, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) Subject to subsections (e) and (f), an owner of tangible property who wishes to obtain an exemption from property taxation shall file a certified application in duplicate with the county assessor of the county in which the property that is the subject of the exemption is located. The application must be filed annually on or before May 15 on forms prescribed by the department of local government finance. Except as provided in sections 1, 3.5, and 4 of this chapter, the application applies only for the taxes imposed for the year for which the application is filed.

(b) The authority for signing an exemption application may not be delegated by the owner of the property to any other person except by an executed power of attorney.

(c) An exemption application which is required under this chapter shall contain the following information:

(1) A description of the property claimed to be exempt in sufficient detail to afford identification.

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(2) A statement showing the ownership, possession, and use of the property.

(3) The grounds for claiming the exemption.

(4) The full name and address of the applicant.

(5) For the year that ends on the assessment date of the property, identification of:

(A) each part of the property used or occupied; and

(B) each part of the property not used or occupied;

for one (1) or more exempt purposes under IC 6-1.1-10 during the time the property is used or occupied.

(6) Any additional information which the department of local government finance may require.

(d) A person who signs an exemption application shall attest in writing and under penalties of perjury that, to the best of the person's knowledge and belief, a predominant part of the property claimed to be exempt is not being used or occupied in connection with a trade or business that is not substantially related to the exercise or performance of the organization's exempt purpose.

(e) An owner must file with an application for exemption of real property under subsection (a) or section 5 of this chapter a copy of the township assessor's record kept under IC 6-1.1-4-25(a) that shows the calculation of the assessed value of the real property for the assessment date for which the exemption is claimed. Upon receipt of the exemption application, the county assessor shall examine that record and determine if the real property for which the exemption is claimed is properly assessed. If the county assessor determines that the real property is not properly assessed, the county assessor shall:

(1) if the property is located in a township for which the county assessor does not assesses real property, direct the elected township assessor of the township in which the real property is located to:

(1) (A) properly assess the real property; and

(2) (B) notify the county assessor and county auditor of the proper assessment; or

(2) if the property is located in a township for which the county assessor assesses real property, properly assess the real property and notify the county auditor of the proper assessment.

(f) If the county assessor determines that the applicant has not filed with an application for exemption a copy of the record referred to in subsection (e), the county assessor shall notify the applicant in writing of that requirement. The applicant then has thirty (30) days after the

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1 date of the notice to comply with that requirement. The county property
 2 tax assessment board of appeals shall deny an application described in
 3 this subsection if the applicant does not comply with that requirement
 4 within the time permitted under this subsection.

5 SECTION 37. IC 6-1.1-12-20, AS AMENDED BY P.L.90-2002,
 6 SECTION 111, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2004]: Sec. 20. (a) A property owner who
 8 desires to obtain the deduction provided by section 18 of this chapter
 9 must file a certified deduction application, on forms prescribed by the
 10 department of local government finance, with the auditor of the county
 11 in which the rehabilitated property is located. The application may be
 12 filed in person or by mail. If mailed, the mailing must be postmarked
 13 on or before the last day for filing. Except as provided in subsection
 14 (b), the application must be filed before May 10 of the year in which
 15 the addition to assessed value is made.

16 (b) If notice of the addition to assessed value for any year is not
 17 given to the property owner before April 10 of that year, the application
 18 required by this section may be filed not later than thirty (30) days after
 19 the date such a notice is mailed to the property owner at the address
 20 shown on the records of the **elected** township assessor **or the county**
 21 **assessor.**

22 (c) The application required by this section shall contain the
 23 following information:

- 24 (1) a description of the property for which a deduction is claimed
- 25 in sufficient detail to afford identification;
- 26 (2) statements of the ownership of the property;
- 27 (3) the assessed value of the improvements on the property before
- 28 rehabilitation;
- 29 (4) the number of dwelling units on the property;
- 30 (5) the number of dwelling units rehabilitated;
- 31 (6) the increase in assessed value resulting from the
- 32 rehabilitation; and
- 33 (7) the amount of deduction claimed.

34 (d) A deduction application filed under this section is applicable for
 35 the year in which the increase in assessed value occurs and for the
 36 immediately following four (4) years without any additional application
 37 being filed.

38 (e) On verification of an application by:

- 39 (1) the **elected** assessor of the township in which the property is
- 40 located; **or**
- 41 (2) the **county assessor for a township in which the county**
- 42 **assessor assesses real property;**

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the county auditor shall make the deduction.

SECTION 38. IC 6-1.1-12-24, AS AMENDED BY P.L.90-2002, SECTION 113, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 24. (a) A property owner who desires to obtain the deduction provided by section 22 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b), the application must be filed before May 10 of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation for any year is not given to the property owner before April 10 of that year, the application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the **elected** township assessor **or the county assessor**.

(c) The application required by this section shall contain the following information:

- (1) the name of the property owner;
- (2) a description of the property for which a deduction is claimed in sufficient detail to afford identification;
- (3) the assessed value of the improvements on the property before rehabilitation;
- (4) the increase in the assessed value of improvements resulting from the rehabilitation; and
- (5) the amount of deduction claimed.

(d) A deduction application filed under this section is applicable for the year in which the addition to assessed value is made and in the immediate following four (4) years without any additional application being filed.

(e) On verification of the correctness of an application by:

- (1) the **elected** assessor of the township in which the property is located; **or**
- (2) the **county assessor for a township in which the county assessor assesses real property;**

the county auditor shall make the deduction.

SECTION 39. IC 6-1.1-12-27.1, AS AMENDED BY P.L.90-2002, SECTION 115, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 27.1. Except as provided in section 36 of this chapter, a person who desires to claim the deduction

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provided by section 26 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property or mobile home is subject to assessment. With respect to real property, the person must file the statement during the twelve (12) months before May 11 of each year for which the person desires to obtain the deduction. With respect to a mobile home which is not assessed as real property, the person must file the statement between January 15 and March 31, inclusive, of each year for which the person desires to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. On verification of the statement by:

(1) the **township** assessor of the township in which the real property or mobile home is subject to assessment; **or**

(2) the **county assessor for a township in which the county assessor assesses real property;**

the county auditor shall allow the deduction.

SECTION 40. IC 6-1.1-12-28.5, AS AMENDED BY P.L.198-2001, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 28.5. (a) For purposes of this section:

"Hazardous waste" has the meaning set forth in IC 13-11-2-99(a) and includes a waste determined to be a hazardous waste under IC 13-22-2-3(b).

"Resource recovery system" means tangible property directly used to dispose of solid waste or hazardous waste by converting it into energy or other useful products.

"Solid waste" has the meaning set forth in IC 13-11-2-205(a) but does not include dead animals or any animal solid or semisolid wastes.

(b) Except as provided in this section, the owner of a resource recovery system is entitled to an annual deduction in an amount equal to ninety-five percent (95%) of the assessed value of the system if:

(1) the system was certified by the department of environmental management for the 1993 assessment year or a prior assessment year; and

(2) the owner filed a timely application for the deduction for the 1993 assessment year.

For purposes of this section, a system includes tangible property that replaced tangible property in the system after the certification by the department of environmental management.

(c) The owner of a resource recovery system that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment

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year the owner:

(1) is convicted of any violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or IC 13-30-6; or

(2) is subject to an order or a consent decree with respect to property located in Indiana based upon a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

(d) The certification of a resource recovery system by the department of environmental management for the 1993 assessment year or a prior assessment year is valid through the 1997 assessment year so long as the property is used as a resource recovery system. If the property is no longer used for the purpose for which the property was used when the property was certified, the owner of the property shall notify the county auditor. However, the deduction from the assessed value of the system is:

(1) ninety-five percent (95%) for the 1994 assessment year;

(2) ninety percent (90%) for the 1995 assessment year;

(3) seventy-five percent (75%) for the 1996 assessment year; and

(4) sixty percent (60%) for the 1997 assessment year.

Notwithstanding this section as it existed before 1995, for the 1994 assessment year, the portion of any tangible property comprising a resource recovery system that was assessed and first deducted for the 1994 assessment year may not be deducted for property taxes first due and payable in 1995 or later.

(e) In order to qualify for a deduction under this section, the person who desires to claim the deduction must file an application with the county auditor after February 28 and before May 16 of the current assessment year. An application must be filed in each year for which the person desires to obtain the deduction. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. If the application is not filed before the applicable deadline under this subsection, the deduction is waived. The application must be filed on a form prescribed by the department of local government finance. The application for a resource recovery system deduction must include:

(1) a certification by the department of environmental management for the 1993 assessment year or a prior assessment year as described in subsection (d); or

(2) the certification by the department of environmental management for the 1993 assessment year as described in subsection (g).

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Beginning with the 1995 assessment year a person must also file an itemized list of all property on which a deduction is claimed. The list must include the date of purchase of the property and the cost to acquire the property.

(f) ~~Before July 1, 1995, the department of environmental management shall transfer all the applications, records, or other material the department has with respect to resource recovery system deductions under this section for the 1993 and 1994 assessment years.~~
The:

(1) **elected township assessor; or**

(2) **county assessor for a township in which the county assessor assesses real property;**

shall verify each deduction application filed under this section and the county auditor shall determine the deduction. The county auditor shall send to the department of local government finance a copy of each deduction application. The county auditor shall notify the county property tax assessment board of appeals of all deductions allowed under this section. A denial of a deduction claimed under this subsection may be appealed as provided in IC 6-1.1-15. The appeal is limited to a review of a determination made by the **elected** township assessor, **the county assessor**, or the county auditor.

(g) Notwithstanding subsection (d), the certification for the 1993 assessment year of a resource recovery system in regard to which a political subdivision is liable for the payment of the property taxes remains valid at the ninety-five percent (95%) deduction level allowed before 1994 as long as the political subdivision remains liable for the payment of the property taxes on the system.

SECTION 41. IC 6-1.1-12-30, AS AMENDED BY P.L.90-2002, SECTION 116, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 30. Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 29 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property or mobile home is subject to assessment. With respect to real property, the person must file the statement between March 1 and May 10, inclusive, of each year for which the person desires to obtain the deduction. With respect to a mobile home which is not assessed as real property, the person must file the statement between January 15 and March 31, inclusive, of each year for which the person desires to obtain the deduction. On verification of the statement by:

(1) **the elected township** assessor of the township in which the

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1 real property or mobile home is subject to assessment; **or**
 2 **(2) the county assessor for a township in which the county**
 3 **assessor assesses real property;**
 4 the county auditor shall allow the deduction.

5 SECTION 42. IC 6-1.1-12-35.5, AS ADDED BY P.L.198-2001,
 6 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2004]: Sec. 35.5. (a) Except as provided in section 36 of this
 8 chapter, a person who desires to claim the deduction provided by
 9 section 31, 33, or 34 of this chapter must file a certified statement in
 10 duplicate, on forms prescribed by the department of local government
 11 finance, and proof of certification under subsection (b) with the auditor
 12 of the county in which the property for which the deduction is claimed
 13 is subject to assessment. Except as provided in subsection (e), with
 14 respect to property that is not assessed under IC 6-1.1-7, the person
 15 must file the statement between March 1 and May 10, inclusive, of the
 16 assessment year. The person must file the statement in each year for
 17 which ~~he~~ **the person** desires to obtain the deduction. With respect to
 18 a property which is assessed under IC 6-1.1-7, the person must file the
 19 statement between January 15 and March 31, inclusive, of each year for
 20 which ~~he~~ **the person** desires to obtain the deduction. The statement
 21 may be filed in person or by mail. If mailed, the mailing must be
 22 postmarked on or before the last day for filing. On verification of the
 23 statement by:

24 **(1) the elected assessor of the township in which the property for**
 25 **which the deduction is claimed is subject to assessment; or**
 26 **(2) the county assessor for a township in which the county**
 27 **assessor assesses real property;**
 28 the county auditor shall allow the deduction.

29 (b) The department of environmental management, upon application
 30 by a property owner, shall determine whether a system or device
 31 qualifies for a deduction provided by section 31, 33, or 34 of this
 32 chapter. If the department determines that a system or device qualifies
 33 for a deduction, it shall certify the system or device and provide proof
 34 of the certification to the property owner. The department shall
 35 prescribe the form and manner of the certification process required by
 36 this subsection.

37 (c) If the department of environmental management receives an
 38 application for certification before April 10 of the assessment year, the
 39 department shall determine whether the system or device qualifies for
 40 a deduction before May 10 of the assessment year. If the department
 41 fails to make a determination under this subsection before May 10 of
 42 the assessment year, the system or device is considered certified.

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(d) A denial of a deduction claimed under section 31, 33, or 34 of this chapter may be appealed as provided in IC 6-1.1-15. The appeal is limited to a review of a determination made by the **elected** township assessor, **the county assessor, or the** county property tax assessment board of appeals, or department of local government finance.

(e) A person who timely files a personal property return under IC 6-1.1-3-7(a) for an assessment year and who desires to claim the deduction provided in section 31 of this chapter for property that is not assessed under IC 6-1.1-7 must file the statement described in subsection (a) between March 1 and May 15, inclusive, of that year. A person who obtains a filing extension under IC 6-1.1-3-7(b) for an assessment year must file the application between March 1 and the extended due date for that year.

SECTION 43. IC 6-1.1-12-38, AS AMENDED BY P.L.90-2002, SECTION 117, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 38. (a) A person is entitled to a deduction from the assessed value of the person's property in an amount equal to the difference between:

(1) the assessed value of the person's property, including the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11; minus

(2) the assessed value of the person's property, excluding the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11.

(b) To obtain the deduction under this section, a person must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is subject to assessment. In addition to the certified statement, the person must file a certification by the state chemist listing the improvements that were made to comply with the fertilizer storage rules adopted under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11. The statement and certification must be filed before May 10 of the year preceding the year the deduction will first be applied. Upon the verification of the statement and certification by:

(1) the **elected** assessor of the township in which the property is subject to assessment; **or**

(2) **the county assessor for a township in which the county**

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assessor assesses real property;

the county auditor shall allow the deduction.

SECTION 44. IC 6-1.1-12.1-5, AS AMENDED BY P.L.245-2003, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. (a) A property owner who desires to obtain the deduction provided by section 3 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (e), the deduction application must be filed before May 10 of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before April 10 of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the **elected township assessor or the county assessor**.

(c) The deduction application required by this section must contain the following information:

- (1) The name of the property owner.
- (2) A description of the property for which a deduction is claimed in sufficient detail to afford identification.
- (3) The assessed value of the improvements before rehabilitation.
- (4) The increase in the assessed value of improvements resulting from the rehabilitation.
- (5) The assessed value of the new structure in the case of redevelopment.
- (6) The amount of the deduction claimed for the first year of the deduction.
- (7) If the deduction application is for a deduction in a residentially distressed area, the assessed value of the improvement or new structure for which the deduction is claimed.

(d) A deduction application filed under subsection (a) or (b) is applicable for the year in which the addition to assessed value or assessment of a new structure is made and in the following years the deduction is allowed without any additional deduction application being filed. However, property owners who had an area designated an urban development area pursuant to a deduction application filed prior to January 1, 1979, are only entitled to a deduction for a five (5) year period. In addition, property owners who are entitled to a deduction under this chapter pursuant to a deduction application filed after December 31, 1978, and before January 1, 1986, are entitled to a

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deduction for a ten (10) year period.

(e) A property owner who desires to obtain the deduction provided by section 3 of this chapter but who has failed to file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and May 10 of a subsequent year which shall be applicable for the year filed and the subsequent years without any additional deduction application being filed for the amounts of the deduction which would be applicable to such years pursuant to section 4 of this chapter if such a deduction application had been filed in accordance with subsection (a) or (b).

(f) Subject to subsection (i), the county auditor shall act as follows:

(1) If a determination about the number of years the deduction is allowed has been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall make the appropriate deduction.

(2) If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body. Upon receipt of the resolution stating the number of years the deduction will be allowed, the county auditor shall make the appropriate deduction.

(3) If the deduction application is for rehabilitation or redevelopment in a residentially distressed area, the county auditor shall make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 3 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

(1) continues to use the property in compliance with any standards established under section 2(g) of this chapter; and

(2) files an application in the manner provided by subsection (e).

(h) The **elected** township assessor **or the county assessor** shall include a notice of the deadlines for filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment.

(i) Before the county auditor acts under subsection (f), the county auditor may request that:

(1) the **elected** township assessor of the township in which the property is located; **or**

(2) the **county assessor for a township in which the county assessor assesses real property;**

review the deduction application.

(j) A property owner may appeal the determination of the county

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auditor under subsection (f) by filing a complaint in the office of the clerk of the circuit or superior court not more than forty-five (45) days after the county auditor gives the person notice of the determination.

SECTION 45. IC 6-1.1-12.1-5.8, AS AMENDED BY P.L.256-2003, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5.8. In lieu of providing the statement of benefits required by section 3 or 4.5 of this chapter and the additional information required by section 5.1 or 5.6 of this chapter, the designating body may, by resolution, waive the statement of benefits if the designating body finds that the purposes of this chapter are served by allowing the deduction and the property owner has, during the thirty-six (36) months preceding the first assessment date to which the waiver would apply, installed new manufacturing equipment or new research and development equipment, or both, or developed or rehabilitated property at a cost of at least ten million dollars (\$10,000,000) as determined by:

(1) the **elected** assessor of the township in which the property is located; **or**

(2) the **county assessor for a township in which the county assessor assesses real property.**

SECTION 46. IC 6-1.1-15-1, AS AMENDED BY P.L.178-2002, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) A taxpayer may obtain a review by the county property tax assessment board of appeals of a county or township official's action with respect to the assessment of the taxpayer's tangible property if the official's action requires the giving of notice to the taxpayer. The taxpayer and county or township official whose original determination is under review are parties to the proceeding before the county property tax assessment board of appeals. **A trustee assessor who is a party to the proceeding remains a party after the county assessor assumes from the trustee assessor the duty of assessing real property.** At the time that notice is given to the taxpayer, the taxpayer shall also be informed in writing of:

(1) the opportunity for review under this section; and

(2) the procedures the taxpayer must follow in order to obtain review under this section.

(b) In order to appeal a current assessment and have a change in the assessment effective for the most recent assessment date, the taxpayer must file a petition with the assessor of the county in which the action is taken:

(1) ~~within~~ **not later than** forty-five (45) days after notice of a change in the assessment is given to the taxpayer; or

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(2) May 10 of that year;
 whichever is later. The county assessor shall notify the county auditor
 that the assessment is under appeal.

(c) A change in an assessment made as a result of an appeal filed:

(1) in the same year that notice of a change in the assessment is
 given to the taxpayer; and

(2) after the time prescribed in subsection (b);
 becomes effective for the next assessment date.

(d) A taxpayer may appeal a current real property assessment in a
 year even if the taxpayer has not received a notice of assessment in the
 year. If an appeal is filed on or before May 10 of a year in which the
 taxpayer has not received notice of assessment, a change in the
 assessment resulting from the appeal is effective for the most recent
 assessment date. If the appeal is filed after May 10, the change
 becomes effective for the next assessment date.

(e) The department of local government finance shall prescribe the
 form of the petition for review of an assessment determination by a
 township assessor **or a county assessor**. The department shall issue
 instructions for completion of the form. The form and the instructions
 must be clear, simple, and understandable to the average individual. An
 appeal of such a determination must be made on the form prescribed
 by the department. The form must require the petitioner to specify the
 following:

(1) The physical characteristics of the property in issue that bear
 on the assessment determination.

(2) All other facts relevant to the assessment determination.

(3) The reasons why the petitioner believes that the assessment
 determination by the township assessor **or the county assessor** is
 erroneous.

(f) The department of local government finance shall prescribe a
 form for a response by the township assessor **or the county assessor**
 to the petition for review of an assessment determination. The
 department shall issue instructions for completion of the form. The
 form must require the township assessor **or the county assessor** to
 indicate:

(1) agreement or disagreement with each item indicated on the
 petition under subsection (e); and

(2) the reasons why the assessor believes that the assessment
 determination is correct.

(g) Immediately upon receipt of a timely filed petition on the form
 prescribed under subsection (e), the county assessor shall forward a
 copy of the petition to the township assessor ~~who~~ **if the township**

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assessor made the challenged assessment. The township assessor, **or the county assessor if the county assessor made the challenged assessment**, shall, ~~within not later than~~ thirty (30) days after the receipt of the petition, attempt to hold a preliminary conference with the petitioner and resolve as many issues as possible. ~~Within Not later than~~ ten (10) days after the conference, the township assessor shall forward to the county auditor and county assessor, **or the county assessor shall forward to the county auditor**, a completed response to the petition on the form prescribed under subsection (f). The county assessor shall immediately forward a copy of the response form to the petitioner and the county property tax assessment board of appeals. If after the conference there are no items listed in the petition on which there is disagreement:

(1) the:

(A) township assessor shall give notice to:

(i) the petitioner;

(ii) the county property tax assessment board of appeals; and

(iii) the county assessor;

of the assessment in the amount agreed to by the petitioner and the township assessor; **or**

(B) county assessor shall give notice to:

(i) the petitioner; and

(ii) the county property tax assessment board of appeals; of the assessment in the amount agreed to by the petitioner and the county assessor; and

(2) the county property tax assessment board of appeals may reserve the right to change the assessment under IC 6-1.1-9.

If after the conference there are items listed in the petition on which there is disagreement, the county property tax assessment board of appeals shall hold a hearing ~~within not later than~~ ninety (90) days of the filing of the petition on those items of disagreement, except as provided in subsections (h) and (i). The taxpayer may present the taxpayer's reasons for disagreement with the assessment. The township assessor or county assessor ~~for the county~~ must present the basis for the assessment decision on these items to the board of appeals at the hearing and the reasons the petitioner's appeal should be denied on those items. **The county assessor is recused from any action the county property tax assessment board of appeals takes with respect to an assessment determination by the county assessor.** The board of appeals shall have a written record of the hearing and prepare a written statement of findings and a decision on each item ~~within not later than~~ sixty (60) days of the hearing, except as provided in

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subsections (h) and (i). If the township assessor **or the county assessor** does not attempt to hold a preliminary conference, the board shall accept the appeal of the petitioner at the hearing.

(h) This subsection applies to a county having a population of more than three hundred thousand (300,000). In the case of a petition filed after December 31, 2000, the county property tax assessment board of appeals shall:

(1) hold its hearing ~~within~~ **not later than** one hundred eighty (180) days instead of ninety (90) days; and

(2) have a written record of the hearing and prepare a written statement of findings and a decision on each item ~~within~~ **not later than** one hundred twenty (120) days after the hearing.

(i) This subsection applies to a county having a population of three hundred thousand (300,000) or less. With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the county property tax assessment board of appeals shall:

(1) hold its hearing ~~within~~ **not later than** one hundred eighty (180) days instead of ninety (90) days; and

(2) have a written record of the hearing and prepare a written statement of findings and a decision on each item ~~within~~ **not later than** one hundred twenty (120) days after the hearing.

(j) The county property tax assessment board of appeals:

(1) may not require a taxpayer that files a petition for review under this section to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (g); and

(2) may require the parties to the appeal to file not more than ten (10) days before the date of the hearing required under subsection

(g) lists of witnesses and exhibits to be introduced at the hearing.

SECTION 47. IC 6-1.1-15-2.1, AS AMENDED BY P.L.198-2001, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2.1. (a) The county property tax assessment board of appeals may assess the tangible property in question.

(b) The county property tax assessment board of appeals shall, by mail, give notice of the date fixed for the hearing under section 1 of this chapter to:

(1) the petitioner; and

(2) ~~to the township assessor;~~ **the other parties.**

(c) If a petition for review does not comply with the department of local government finance's instructions for completing the form prescribed under section 1(e) of this chapter, the county assessor shall

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1 return the petition to the petitioner and include a notice describing the
 2 defect in the petition. The petitioner then has thirty (30) days from the
 3 date on the notice to cure the defect and file a corrected petition or
 4 statement with the county assessor that the petitioner believes the
 5 petition is not defective. If a statement is filed or the county assessor
 6 believes a corrected petition is not in compliance with section 1(e) of
 7 this chapter, the assessor shall forward the statement or corrected
 8 petition to the county property tax assessment board of appeals. ~~Within~~
 9 **Not later than** ten (10) days after receiving the statement or petition,
 10 the county property tax assessment board of appeals shall determine if
 11 the original or corrected petition is still not in compliance. The county
 12 property tax assessment board of appeals shall deny an original or a
 13 corrected petition for review if it does not substantially comply with the
 14 department of local government finance's instructions for completing
 15 the form prescribed under section 1(e) of this chapter.

16 (d) The department of local government finance shall prescribe a
 17 form for use by the county property tax assessment board of appeals in
 18 processing petitions for review of assessment determinations. The
 19 department shall issue instructions for completion of the form. The
 20 form must require the county property tax assessment board of appeals
 21 to include a record of the hearing, findings on each item, and indicate
 22 agreement or disagreement with each item that is:

23 (1) indicated on the petition submitted under section 1(e) of this
 24 chapter; and

25 (2) included in the township assessor's **or county assessor's**
 26 response under section 1(g) of this chapter.

27 The form must also require the county property tax assessment board
 28 of appeals to indicate the issues in dispute for each item and its reasons
 29 in support of its resolution of those issues.

30 (e) After the hearing the county property tax assessment board of
 31 appeals shall, by mail, give notice of its determination to the petitioner,
 32 the township assessor, and the county assessor and shall include with
 33 the notice copies of the forms completed under subsection (d).

34 SECTION 48. IC 6-1.1-15-4, AS AMENDED BY P.L.245-2003,
 35 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2004]: Sec. 4. (a) After receiving a petition for review which
 37 is filed under section 3 of this chapter, the Indiana board shall conduct
 38 a hearing at its earliest opportunity. The Indiana board may:

39 (1) assign:

40 (A) full;

41 (B) limited; or

42 (C) no;

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1 evidentiary value to the assessed valuation of tangible property
 2 determined by stipulation submitted as evidence of a comparable
 3 sale; and

4 (2) correct any errors that may have been made, and adjust the
 5 assessment in accordance with the correction.

6 If the Indiana board conducts a site inspection of the property as part
 7 of its review of the petition, the Indiana board shall give notice to all
 8 parties of the date and time of the site inspection. The Indiana board is
 9 not required to assess the property in question. The Indiana board shall
 10 give notice of the date fixed for the hearing, by mail, to the taxpayer
 11 and to the appropriate township assessor, county assessor, and county
 12 auditor. The Indiana board shall give these notices at least thirty (30)
 13 days before the day fixed for the hearing. The property tax assessment
 14 board of appeals that made the determination under appeal under this
 15 section may, with the approval of the county executive, file an amicus
 16 curiae brief in the review proceeding under this section. The expenses
 17 incurred by the property tax assessment board of appeals in filing the
 18 amicus curiae brief shall be paid from the property reassessment fund
 19 under IC 6-1.1-4-27.5. The executive of a taxing unit may file an
 20 amicus curiae brief in the review proceeding under this section if the
 21 property whose assessment is under appeal is subject to assessment by
 22 that taxing unit.

23 (b) If a petition for review does not comply with the Indiana board's
 24 instructions for completing the form prescribed under section 3 of this
 25 chapter, the Indiana board shall return the petition to the petitioner and
 26 include a notice describing the defect in the petition. The petitioner
 27 then has thirty (30) days from the date on the notice to cure the defect
 28 and file a corrected petition. The Indiana board shall deny a corrected
 29 petition for review if it does not substantially comply with the Indiana
 30 board's instructions for completing the form prescribed under section
 31 3 of this chapter.

32 (c) The Indiana board shall prescribe a form for use in processing
 33 petitions for review of actions by the county property tax assessment
 34 board of appeals. The Indiana board shall issue instructions for
 35 completion of the form. The form must require the Indiana board to
 36 indicate agreement or disagreement with each item that is:

- 37 (1) indicated on the petition submitted under section 1(e) of this
 38 chapter;
- 39 (2) included in the township assessor's **or county assessor's**
 40 response under section 1(g) of this chapter; and
- 41 (3) included in the county property tax assessment board of
 42 appeals' findings, record, and determination under section 2.1(d)

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of this chapter.

The form must also require the Indiana board to indicate the issues in dispute and its reasons in support of its resolution of those issues.

(d) After the hearing the Indiana board shall give the petitioner, the township assessor, the county assessor, and the county auditor:

(1) notice, by mail, of its final determination;

(2) a copy of the form completed under subsection (c); and

(3) notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

(e) Except as provided in subsection (f), the Indiana board shall conduct a hearing not later than nine (9) months after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(f) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall conduct a hearing not later than one (1) year after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(g) Except as provided in subsection (h), the Indiana board shall make a determination not later than the later of ninety (90) days after the hearing or the date set in an extension order issued by the Indiana board.

(h) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall make a determination not later than the later of one hundred eighty (180) days after the hearing or the date set in an extension order issued by the Indiana board.

(i) Except as provided in subsection (n), the Indiana board may not extend the final determination date under subsection (g) or (h) by more than one hundred eighty (180) days. If the Indiana board fails to make a final determination within the time allowed by this subsection, the entity that initiated the petition may:

(1) take no action and wait for the Indiana board to make a final determination; or

(2) petition for judicial review under section 5(g) of this chapter.

(j) A final determination must include separately stated findings of fact for all aspects of the determination. Findings of ultimate fact must be accompanied by a concise statement of the underlying basic facts of record to support the findings. Findings must be based exclusively upon the evidence on the record in the proceeding and on matters

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officially noticed in the proceeding. Findings must be based upon a preponderance of the evidence.

(k) The Indiana board may limit the scope of the appeal to the issues raised in the petition and the evaluation of the evidence presented to the county property tax assessment board of appeals in support of those issues only if all persons participating in the hearing required under subsection (a) agree to the limitation. A person participating in the hearing required under subsection (a) is entitled to introduce evidence that is otherwise proper and admissible without regard to whether that evidence has previously been introduced at a hearing before the county property tax assessment board of appeals.

(l) The Indiana board:

(1) may require the parties to the appeal to file not more than five (5) business days before the date of the hearing required under subsection (a) documentary evidence or summaries of statements of testimonial evidence; and

(2) may require the parties to the appeal to file not more than fifteen (15) business days before the date of the hearing required under subsection (a) lists of witnesses and exhibits to be introduced at the hearing.

(m) A party to a proceeding before the Indiana board shall provide to another party to the proceeding the information described in subsection (l) if the other party requests the information in writing at least ten (10) days before the deadline for filing of the information under subsection (l).

(n) The county assessor may:

(1) appear as an additional party if the notice of appearance is filed before the review proceeding; or

(2) with the approval of the township assessor, represent the township assessor;

in a review proceeding under this section.

(o) The Indiana board may base its final determination on a stipulation between the respondent and the petitioner. If the final determination is based on a stipulated assessed valuation of tangible property, the Indiana board may order the placement of a notation on the permanent assessment record of the tangible property that the assessed valuation was determined by stipulation. The Indiana board may:

(1) order that a final determination under this subsection has no precedential value; or

(2) specify a limited precedential value of a final determination under this subsection.

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1 **(p) A trustee assessor who is a party to the proceeding before**
 2 **the Indiana board remains a party after the county assessor**
 3 **assumes from the trustee assessor the duty of assessing real**
 4 **property.**

5 SECTION 49. IC 6-1.1-15-16, AS ADDED BY P.L.178-2002,
 6 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2004]: Sec. 16. Notwithstanding any provision in the 2002
 8 Real Property Assessment Manual and Real Property Assessment
 9 Guidelines for 2002-Version A, incorporated by reference in 50
 10 IAC 2.3-1-2, a county property tax assessment board of appeals or the
 11 Indiana board shall consider all evidence relevant to the assessment of
 12 real property regardless of whether the evidence was submitted to:

13 **(1) the elected township assessor; or**

14 **(2) the county assessor for a township in which the county**
 15 **assessor assesses real property;**

16 before the assessment of the property.

17 SECTION 50. IC 6-1.1-20.9-2, AS AMENDED BY
 18 P.L.192-2002(ss), SECTION 38, IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) Except as
 20 otherwise provided in section 5 of this chapter, an individual who on
 21 March 1 of a particular year either owns or is buying a homestead
 22 under a contract that provides the individual is to pay the property taxes
 23 on the homestead is entitled each calendar year to a credit against the
 24 property taxes which the individual pays on the individual's homestead.
 25 However, only one (1) individual may receive a credit under this
 26 chapter for a particular homestead in a particular year.

27 (b) The amount of the credit to which the individual is entitled
 28 equals the product of:

29 (1) the percentage prescribed in subsection (d); multiplied by

30 (2) the amount of the individual's property tax liability, as that
 31 term is defined in IC 6-1.1-21-5, which is:

32 (A) attributable to the homestead during the particular
 33 calendar year; and

34 (B) determined after the application of the property tax
 35 replacement credit under IC 6-1.1-21.

36 (c) For purposes of determining that part of an individual's property
 37 tax liability that is attributable to the individual's homestead, all
 38 deductions from assessed valuation which the individual claims under
 39 IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's
 40 homestead is located must be applied first against the assessed value
 41 of the individual's homestead before those deductions are applied
 42 against any other property.

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(d) The percentage of the credit referred to in subsection (b)(1) is as follows:

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2002	10%
2003 and thereafter	20%

However, the property tax replacement fund board established under IC 6-1.1-21-10, in its sole discretion, may increase the percentage of the credit provided in the schedule for any year, if the board feels that the property tax replacement fund contains enough money for the resulting increased distribution. If the board increases the percentage of the credit provided in the schedule for any year, the percentage of the credit for the immediately following year is the percentage provided in the schedule for that particular year, unless as provided in this subsection the board in its discretion increases the percentage of the credit provided in the schedule for that particular year. However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased the homestead credit. The amount of the increase equals the amount designated in the ordinance.

(e) Before October 1 of each year:

(1) the elected township assessor; or

(2) the county assessor for a township in which the county assessor assesses real property;

shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under this chapter.

(f) The county auditor shall apply the credit equally to each installment of taxes that the individual pays for the property.

(g) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

(1) an individual uses the residence as the individual's principal place of residence;

(2) the residence is located in Indiana;

(3) the individual has a beneficial interest in the taxpayer;

(4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and

(5) the residence consists of a single-family dwelling and the real

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estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

SECTION 51. IC 6-1.1-24-2, AS AMENDED BY P.L.170-2003, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) In addition to the delinquency list required under section 1 of this chapter, each county auditor shall prepare a notice. The notice shall contain the following:

(1) A list of tracts or real property eligible for sale under this chapter.

(2) A statement that the tracts or real property included in the list will be sold at public auction to the highest bidder, subject to the right of redemption.

(3) A statement that the tracts or real property will not be sold for an amount which is less than the sum of:

(A) the delinquent taxes and special assessments on each tract or item of real property;

(B) the taxes and special assessments on each tract or item of real property that are due and payable in the year of the sale, whether or not they are delinquent;

(C) all penalties due on the delinquencies;

(D) an amount prescribed by the county auditor that equals the sum of:

(i) twenty-five dollars (\$25) for postage and publication costs; and

(ii) any other actual costs incurred by the county that are directly attributable to the tax sale; and

(E) any unpaid costs due under subsection (b) from a prior tax sale.

(4) A statement that a person redeeming each tract or item of real property after the sale must pay:

(A) one hundred ten percent (110%) of the amount of the minimum bid for which the tract or item of real property was offered at the time of sale if the tract or item of real property is redeemed not more than six (6) months after the date of sale;

(B) one hundred fifteen percent (115%) of the amount of the minimum bid for which the tract or item of real property was offered at the time of sale if the tract or item of real property is redeemed more than six (6) months after the date of sale;

(C) the amount by which the purchase price exceeds the minimum bid on the tract or item of real property plus ten percent (10%) per annum on the amount by which the purchase price exceeds the minimum bid; and

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(D) all taxes and special assessments on the tract or item of real property paid by the purchaser after the tax sale plus interest at the rate of ten percent (10%) per annum on the amount of taxes and special assessments paid by the purchaser on the redeemed property.

(5) A statement for informational purposes only, of the location of each tract or item of real property by key number, if any, and street address, if any, or a common description of the property other than a legal description. The:

(A) elected township assessor; or

(B) county assessor for a township in which the county assessor assesses real property;

upon written request from the county auditor, shall provide the information to be in the notice required by this subsection. A misstatement in the key number or street address does not invalidate an otherwise valid sale.

(6) A statement that the county does not warrant the accuracy of the street address or common description of the property.

(7) A statement indicating:

(A) the name of the owner of each tract or item of real property with a single owner; or

(B) the name of at least one (1) of the owners of each tract or item of real property with multiple owners.

(8) A statement of the procedure to be followed for obtaining or objecting to a judgment and order of sale, that must include the following:

(A) A statement:

(i) that the county auditor and county treasurer will apply on or after a date designated in the notice for a court judgment against the tracts or real property for an amount that is not less than the amount set under subdivision (3), and for an order to sell the tracts or real property at public auction to the highest bidder, subject to the right of redemption; and

(ii) indicating the date when the period of redemption specified in IC 6-1.1-25-4 will expire.

(B) A statement that any defense to the application for judgment must be filed with the court before the date designated as the earliest date on which the application for judgment may be filed.

(C) A statement that the court will set a date for a hearing at least seven (7) days before the advertised date and that the court will determine any defenses to the application for judgment at the hearing.

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(9) A statement that the sale will be conducted at a place designated in the notice and that the sale will continue until all tracts and real property have been offered for sale.

(10) A statement that the sale will take place at the times and dates designated in the notice. Except as provided in section 5.5 of this chapter, the sale must take place on or after August 1 and before November 1 of each year.

(11) A statement that a person redeeming each tract or item after the sale must pay the costs described in IC 6-1.1-25-2(e).

(12) If a county auditor and county treasurer have entered into an agreement under IC 6-1.1-25-4.7, a statement that the county auditor will perform the duties of the notification and title search under IC 6-1.1-25-4.5 and the notification and petition to the court for the tax deed under IC 6-1.1-25-4.6.

(13) A statement that, if the tract or item of real property is sold for an amount more than the minimum bid and the property is not redeemed, the owner of record of the tract or item of real property who is divested of ownership at the time the tax deed is issued may have a right to the tax sale surplus.

(14) If a determination has been made under subsection (d), a statement that tracts or items will be sold together.

(b) If within sixty (60) days before the date of the tax sale the county incurs costs set under subsection (a)(3)(D) and those costs are not paid, the county auditor shall enter the amount of costs that remain unpaid upon the tax duplicate of the property for which the costs were set. The county treasurer shall mail notice of unpaid costs entered upon a tax duplicate under this subsection to the owner of the property identified in the tax duplicate.

(c) The amount of unpaid costs entered upon a tax duplicate under subsection (b) must be paid no later than the date upon which the next installment of real estate taxes for the property is due. Unpaid costs entered upon a tax duplicate under subsection (b) are a lien against the property described in the tax duplicate, and amounts remaining unpaid on the date the next installment of real estate taxes is due may be collected in the same manner that delinquent property taxes are collected.

(d) The county auditor and county treasurer may establish the condition that a tract or item will be sold and may be redeemed under this chapter only if the tract or item is sold or redeemed together with one (1) or more other tracts or items. Property may be sold together only if the tract or item is owned by the same person.

SECTION 52. IC 6-1.1-25-4.1, AS AMENDED BY P.L.90-2002,

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SECTION 213, IS AMENDED TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2004]: Sec. 4.1. (a) If, as provided in section
 4(f) of this chapter, the county auditor does not issue a deed to the
 county for property for which a certificate of sale has been issued to the
 county under IC 6-1.1-24-9 because the county executive determines
 that the property contains hazardous waste or another environmental
 hazard for which the cost of abatement or alleviation will exceed the
 fair market value of the property, the property may be transferred
 consistent with the provisions of this section.

(b) A person who desires to obtain title to and eliminate the
 hazardous conditions of property containing hazardous waste or
 another environmental hazard for which a county holds a certificate of
 sale but to which a deed may not be issued to the county under section
 4(f) of this chapter may file a petition with the county auditor seeking
 a waiver of the delinquent taxes, special assessments, interest,
 penalties, and costs assessed against the property and transfer of the
 title to the property to the petitioner. The petition must:

- (1) be on a form prescribed by the state board of accounts and
 approved by the department of local government finance;
- (2) state the amount of taxes, special assessments, penalties, and
 costs assessed against the property for which a waiver is sought;
- (3) describe the conditions existing on the property that have
 prevented the sale or the transfer of title to the county;
- (4) describe the plan of the petitioner for elimination of the
 hazardous condition on the property under IC 13-25-5 and the
 intended use of the property; and
- (5) be accompanied by a fee established by the county auditor for
 completion of a title search and processing.

(c) Upon receipt of a petition described in subsection (b), the county
 auditor shall review the petition to determine whether the petition is
 complete. If the petition is not complete, the county auditor shall return
 the petition to the petitioner and describe the defects in the petition.
 The petitioner may correct the defects and file the completed petition
 with the county auditor. Upon receipt of a completed petition, the
 county auditor shall forward a copy of the petition to:

- (1) the:
 - (A) **elected township** assessor of the township in which the
 property is located; or
 - (B) **county assessor for a township in which the county
 assessor assesses real property;**
- (2) the owner;
- (3) all persons who have, as of the date of the filing of the petition,

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1 a substantial interest of public record in the property;

2 (4) the county property tax assessment board of appeals; and

3 (5) the department of local government finance.

4 (d) Upon receipt of a petition described in subsection (b), the county
5 property tax assessment board of appeals shall, at the county property
6 tax assessment board of appeals' earliest opportunity, conduct a public
7 hearing on the petition. The county property tax assessment board of
8 appeals shall, by mail, give notice of the date, time, and place fixed for
9 the hearing to:

10 (1) the petitioner;

11 (2) the owner;

12 (3) all persons who have, as of the date the petition was filed, a
13 substantial interest of public record in the property; and

14 (4) the:

15 **(A) elected township** assessor of the township in which the
16 property is located; or

17 **(B) county assessor for a township in which the county**
18 **assessor assesses real property.**

19 In addition, notice of the public hearing on the petition shall be
20 published one (1) time at least ten (10) days before the hearing in a
21 newspaper of countywide circulation and posted at the principal office
22 of the county property tax assessment board of appeals, or at the
23 building where the meeting is to be held.

24 (e) After the hearing and completion of any additional investigation
25 of the property or of the petitioner that is considered necessary by the
26 county property tax assessment board of appeals, the county board shall
27 give notice, by mail, to the parties listed in subsection (d) of the county
28 property tax assessment board of appeals' recommendation as to
29 whether the petition should be granted. The county property tax
30 assessment board of appeals shall forward to the department of local
31 government finance a copy of the county property tax assessment board
32 of appeals' recommendation and a copy of the documents submitted to
33 or collected by the county property tax assessment board of appeals at
34 the public hearing or during the course of the county board of appeals'
35 investigation of the petition.

36 (f) Upon receipt by the department of local government finance of a
37 recommendation by the county property tax assessment board of
38 appeals, the department of local government finance shall review the
39 petition and all other materials submitted by the county property tax
40 assessment board of appeals and determine whether to grant the
41 petition. Notice of the determination by the department of local
42 government finance and the right to seek an appeal of the

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determination shall be given by mail to:

- (1) the petitioner;
- (2) the owner;
- (3) all persons who have, as of the date the petition was filed, a substantial interest of public record in the property;
- (4) the:
 - (A) **elected township** assessor of the township in which the property is located; **or**
 - (B) **county assessor for a township in which the county assessor assesses real property;** and

(5) the county property tax assessment board of appeals.

(g) Any person aggrieved by a determination of the department of local government finance under subsection (f) may file an appeal seeking additional review by the department of local government finance and a public hearing. In order to obtain a review under this subsection, the aggrieved person must file a petition for appeal with the county auditor in the county where the tract or item of real property is located not more than thirty (30) days after issuance of notice of the determination of the department of local government finance. The county auditor shall transmit the petition for appeal to the department of local government finance not more than ten (10) days after the petition is filed.

(h) Upon receipt by the department of local government finance of an appeal, the department of local government finance shall set a date, time, and place for a hearing. The department of local government finance shall give notice, by mail, of the date, time, and place fixed for the hearing to:

- (1) the person filing the appeal;
- (2) the petitioner;
- (3) the owner;
- (4) all persons who have, as of the date the petition was filed, a substantial interest of public record in the property;
- (5) the:
 - (A) **elected township** assessor of the township in which the property is located; **or**
 - (B) **county assessor for a township in which the county assessor assesses real property;** and

(6) the county property tax assessment board of appeals.

The department of local government finance shall give the notices at least ten (10) days before the day fixed for the hearing.

(i) After the hearing, the department of local government finance shall give the parties listed in subsection (h) notice by mail of the final

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determination of the department of local government finance.

(j) If the department of local government finance decides to:

(1) grant the petition submitted under subsection (b) after initial review of the petition under subsection (f) or after an appeal under subsection (h); and

(2) waive the taxes, special assessments, interest, penalties, and costs assessed against the property;

the department of local government finance shall issue to the county auditor an order directing the removal from the tax duplicate of the taxes, special assessments, interest, penalties, and costs for which the waiver is granted.

(k) After:

(1) at least thirty (30) days have passed since the issuance of a notice by the department of local government finance to the county property tax assessment board of appeals granting a petition filed under subsection (b), if no appeal has been filed; or

(2) not more than thirty (30) days after receipt by the county property tax assessment board of appeals of a notice of a final determination of the department of local government finance granting a petition filed under subsection (b) after an appeal has been filed and heard under subsection (h);

the county auditor shall file a verified petition and an application for an order on the petition in the court in which the judgment of sale was entered asking the court to direct the county auditor to issue a tax deed to the real property. The petition shall contain the certificate of sale issued to the county, a copy of the petition filed under subsection (b), and a copy of the notice of the final determination of the department of local government finance directing the county auditor to remove the taxes, interest, penalties, and costs from the tax duplicate. Notice of the filing of the petition and application for an order on the petition shall be given, by mail, to the owner and any person with a substantial interest of public record in the property. A person owning or having an interest in the property may appear to object to the petition.

(l) The court shall enter an order directing the county auditor to issue a tax deed to the petitioner under subsection (b) if the court finds that the following conditions exist:

(1) The time for redemption has expired.

(2) The property has not been redeemed before the expiration of the period of redemption specified in section 4 of this chapter.

(3) All taxes, special assessments, interest, penalties, and costs have been waived by the department of local government finance or, to the extent not waived, paid by the petitioner under subsection

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(b).

(4) All notices required by this section and sections 4.5 and 4.6 of this chapter have been given.

(5) The petitioner under subsection (b) has complied with all the provisions of law entitling the petitioner to a tax deed.

(m) A tax deed issued under this section is uncontestable except by appeal from the order of the court directing the county auditor to issue the tax deed. The appeal must be filed not later than sixty (60) days after the date of the court's order.

SECTION 53. IC 6-1.1-31.5-3.5, AS ADDED BY P.L.198-2001, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3.5. (a) After December 31, 1998, each county shall maintain a state certified computer system that has the capacity to:

- (1) process and maintain assessment records;
- (2) process and maintain standardized property tax forms;
- (3) process and maintain standardized property assessment notices;
- (4) maintain complete and accurate assessment records for the county; and
- (5) process and compute complete and accurate assessments in accordance with Indiana law.

The county assessor with the recommendation of the township assessors shall select the computer system used by township assessors and the county assessor in the county except in a county with ~~a~~ **an elected** township assessor ~~elected under IC 36-6-5-1~~ in every township. In a county with an elected township assessor ~~under IC 36-6-5-1~~ in every township, the elected township assessors shall select a computer system based on a majority vote of the township assessors in the county.

(b) All information on the computer system shall be readily accessible to:

- (1) township assessors;
- (2) the county assessor;
- (3) the department of local government finance; and
- (4) members of the county property tax assessment board of appeals.

(c) The certified system used by the counties must be compatible with the data export and transmission requirements in a standard format prescribed by the department of local government finance. The certified system must be maintained in a manner that ensures prompt and accurate transfer of data to the department.

(d) All standardized property forms and notices on the certified

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computer system shall be maintained by the township assessor and the county assessor in an accessible location and in a format that is easily understandable for use by persons of the county.

SECTION 54. IC 6-1.1-35-1.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1.1. Each county assessor and each elected **township** assessor must be a certified "level two" assessor-appraiser under IC 6-1.1-35.5 or employ at least one (1) certified "level two" assessor-appraiser. Each ~~elected~~ county assessor **or elected township assessor or elected trustee-assessor** is expected to attain the certification of a "level one" assessor-appraiser.

SECTION 55. IC 6-1.1-35.5-3, AS AMENDED BY P.L.90-2002, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. The department of local government finance shall design two (2) assessor-appraiser examinations, to be called "level one" and "level two". All citizens of Indiana are eligible to apply for and to be examined under "level one" and "level two" examinations, subject only to the resources and limitations of the department of local government finance in conducting the examinations. Both examinations should cover the subjects of real estate appraising, accounting, and property tax law. Successful performance on the level one examination requires the minimum knowledge needed for effective performance as a county **assessor or elected township assessor** under this article. Success on the level two examination requires substantial knowledge of the subjects covered in the examination.

SECTION 56. IC 6-1.1-36-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 13. When a political subdivision is formed, the auditor of the county in which the political subdivision is situated shall, at the written request of the legislative body of the political subdivision, prepare a list of all the lands and lots within the limits of the political subdivision and the county auditor shall deliver the list to:

(1) the appropriate **elected township assessor; or**

(2) **the county assessor for a township in which the county assessor assesses real property;**

on or before the assessment date which immediately follows the date of incorporation. The county auditor shall use the records in the auditor's office in order to compile the list.

SECTION 57. IC 6-1.1-39-5, AS AMENDED BY P.L.90-2002, SECTION 272, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. (a) A declaratory ordinance adopted under section 2 of this chapter and confirmed under section 3

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of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. The allocation provision must apply to the entire economic development district. The allocation provisions must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the economic development district be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units. However, if the effective date of the allocation provision of a declaratory ordinance is after March 1, 1985, and before January 1, 1986, and if an improvement to property was partially completed on March 1, 1985, the unit may provide in the declaratory ordinance that the taxes attributable to the assessed value of the property as finally determined for March 1, 1984, shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, part or all of the property tax proceeds in excess of those described in subdivision (1), as specified in the declaratory ordinance, shall be allocated to the unit for the economic development district and, when collected, paid into a special fund established by the unit for that economic development district that may be used only to pay the principal of and interest on obligations owed by the unit under IC 4-4-8 for the financing of industrial development programs in, or serving, that economic development district. The amount not paid into the special fund shall be paid to the respective units in the manner prescribed by subdivision (1).

(3) When the money in the fund is sufficient to pay all outstanding principal of and interest (to the earliest date on which the obligations can be redeemed) on obligations owed by the unit under IC 4-4-8 for the financing of industrial development programs in, or serving, that economic development district, money in the special fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subdivision (1).

(b) Property tax proceeds allocable to the economic development

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district under subsection (a)(2) must, subject to subsection (a)(3), be irrevocably pledged by the unit for payment as set forth in subsection (a)(2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the economic development district that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory ordinance is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Notwithstanding any other law, **upon petition of the fiscal body and effective on the next assessment date after the petition:**

(1) each township assessor shall upon petition of the fiscal body, reassess the taxable personal property; and

(2) each:

(A) elected township assessor; or

(B) county assessor for a township in which the county assessor assesses real property;

shall reassess the taxable real property;

situated upon or in, or added to, the economic development district. ~~effective on the next assessment date after the petition.~~

(e) Notwithstanding any other law, the assessed value of all taxable property in the economic development district, for purposes of tax limitation, property tax replacement (except as provided in IC 6-1.1-21-3(c), IC 6-1.1-21-4(a)(3), and IC 6-1.1-21-5(c)), and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(f) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1.

(g) As used in this section, "property taxes" means:

(1) taxes imposed under this article on real property; and

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(2) any part of the taxes imposed under this article on depreciable personal property that the unit has by ordinance allocated to the economic development district. However, the ordinance may not limit the allocation to taxes on depreciable personal property with any particular useful life or lives.

If a unit had, by ordinance adopted before May 8, 1987, allocated to an economic development district property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the ordinance continues in effect until an ordinance is adopted by the unit under subdivision (2).

(h) As used in this section, "base assessed value" means:

(1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (f); plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Subdivision (2) applies only to economic development districts established after June 30, 1997, and to additional areas established after June 30, 1997.

SECTION 58. IC 6-1.1-42-27, AS AMENDED BY P.L.90-2002, SECTION 284, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 27. (a) A property owner who desires to obtain the deduction provided by section 24 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (e), the deduction application must be filed before May 10 of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before April 10 of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The certified deduction application required by this section must contain the following information:

(1) The name of each owner of the property.

(2) A certificate of completion of a voluntary remediation under

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1 IC 13-25-5-16.

2 (3) Proof that each owner who is applying for the deduction:

3 (A) has never had an ownership interest in an entity that
4 contributed; and

5 (B) has not contributed;

6 a contaminant (as defined in IC 13-11-2-42) that is the subject of
7 the voluntary remediation, as determined under the written
8 standards adopted by the department of environmental
9 management.

10 (4) Proof that the deduction was approved by the appropriate
11 designating body.

12 (5) A description of the property for which a deduction is claimed
13 in sufficient detail to afford identification.

14 (6) The assessed value of the improvements before remediation
15 and redevelopment.

16 (7) The increase in the assessed value of improvements resulting
17 from remediation and redevelopment.

18 (8) The amount of the deduction claimed for the first year of the
19 deduction.

20 (d) A certified deduction application filed under subsection (a) or (b)
21 is applicable for the year in which the addition to assessed value or
22 assessment of property is made and each subsequent year to which the
23 deduction applies under the resolution adopted under section 24 of this
24 chapter.

25 (e) A property owner who desires to obtain the deduction provided
26 by section 24 of this chapter but who has failed to file a deduction
27 application within the dates prescribed in subsection (a) or (b) may file
28 a deduction application between March 1 and May 10 of a subsequent
29 year which is applicable for the year filed and the subsequent years
30 without any additional certified deduction application being filed for
31 the amounts of the deduction which would be applicable to such years
32 under this chapter if such a deduction application had been filed in
33 accordance with subsection (a) or (b).

34 (f) On verification of the correctness of a certified deduction
35 application by:

36 **(1) with respect to personal property, the township assessor of**
37 **the township in which the property is located; or**

38 **(2) with respect to real property, the:**

39 **(A) elected township assessor; or**

40 **(B) county assessor for a township in which the county**
41 **assessor assesses real property;**

42 the county auditor shall, if the property is covered by a resolution

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adopted under section 24 of this chapter, make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 24 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

(1) is a person that:

(A) has never had an ownership interest in an entity that contributed; and

(B) has not contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management;

(2) continues to use the property in compliance with any standards established under sections 7 and 23 of this chapter; and

(3) files an application in the manner provided by subsection (e).

(h) The township assessor **or county assessor** shall include a notice of the deadlines for filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment.

SECTION 59. IC 8-22-3.5-9, AS AMENDED BY P.L.90-2002, SECTION 332, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. (a) As used in this section, "base assessed value" means:

(1) the net assessed value of all the tangible property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the commission's resolution adopted under section 5 of this chapter; plus

(2) to the extent it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

However, subdivision (2) applies only to an airport development zone established after June 30, 1997, and the portion of an airport development zone established before June 30, 1997, that is added to an existing airport development zone.

(b) Except in a county described in section 1(5) of this chapter, a resolution adopted under section 5 of this chapter and confirmed under section 6 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section.

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(c) The allocation provision must:

(1) apply to the entire airport development zone; and

(2) require that any property tax on taxable tangible property subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes in the airport development zone be allocated and distributed as provided in subsections (d) and (e).

(d) Except in a county described in section 1(5) of this chapter, and as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(1) the assessed value of the tangible property for the assessment date with respect to which the allocation and distribution is made;

or

(2) the base assessed value;

shall be allocated and, when collected, paid into the funds of the respective taxing units.

(e) Except in a county described in section 1(5) of this chapter, all of the property tax proceeds in excess of those described in subsection (d) shall be allocated to the eligible entity for the airport development zone and, when collected, paid into special funds as follows:

(1) The commission may determine that a portion of tax proceeds shall be allocated to a training grant fund to be expended by the commission without appropriation solely for the purpose of reimbursing training expenses incurred by public or private entities in the training of employees for the qualified airport development project.

(2) Except as provided in subsection (f), all remaining tax proceeds shall be allocated to a debt service fund and dedicated to the payment of principal and interest on revenue bonds of the airport authority for a qualified airport development project or to the payment of leases for a qualified airport development project.

(f) Except in a county described in section 1(5) of this chapter, if the tax proceeds allocated to the debt service fund exceed the amount necessary to:

(1) pay principal and interest on airport authority revenue bonds;

(2) pay lease rentals on leases of a qualified airport development project; or

(3) create, maintain, or restore a reserve for airport authority revenue bonds or for lease rentals or leases of a qualified airport development project;

the excess over that amount shall be paid to the respective taxing units in the manner prescribed by subsection (d).

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(g) Except in a county described in section 1(5) of this chapter, when money in the debt service fund is sufficient to pay all outstanding principal and interest (to the earliest date on which the obligations can be redeemed) on revenue bonds issued by the airport authority for the financing of qualified airport development projects and all lease rentals payable on leases of qualified airport development projects, money in the debt service fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subsection (d).

(h) Except in a county described in section 1(5) of this chapter, property tax proceeds allocable to the debt service fund under subsection (e)(2) must, subject to subsection (g), be irrevocably pledged by the eligible entity for the purpose set forth in subsection (e)(2).

(i) Except in a county described in section 1(5) of this chapter, and notwithstanding any other law, **upon petition of the commission and effective on the next assessment date after the petition:**

(1) each township assessor shall ~~upon petition of the commission,~~ reassess the taxable ~~tangible~~ personal property; and

(2) each:

(A) elected township assessor under IC 36-6-5-1; or

(B) county assessor for a township in which the county assessor assesses real property;

shall reassess the taxable real property;

situated upon or in, or added to, the airport development zone. ~~effective on the next assessment date after the petition:~~

(j) Except in a county described in section 1(5) of this chapter, and notwithstanding any other law, the assessed value of all taxable tangible property in the airport development zone, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the tangible property as valued without regard to this section; or

(2) the base assessed value.

SECTION 60. IC 32-21-2-13, AS ADDED BY P.L.2-2002, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 13. (a) If the auditor of the county, ~~or the township assessor under IC 6-1.1-5-9 and IC 6-1.1-5-9.1, or the assessor of the county under IC 6-1.1-5-9~~ determines it necessary, an instrument transferring fee simple title to less than the whole of a tract that will result in the division of the tract into at least two (2) parcels for property tax purposes may not be recorded unless the auditor or

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township assessor is furnished a drawing or other reliable evidence of the following:

- (1) The number of acres in each new tax parcel being created.
- (2) The existence or absence of improvements on each new tax parcel being created.
- (3) The location within the original tract of each new tax parcel being created.

(b) Any instrument that is accepted for recording and placed of record that bears the endorsement required by IC 36-2-11-14 is presumed to comply with this section.

SECTION 61. IC 32-28-3-1, AS AMENDED BY P.L.151-2003, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) A contractor, a subcontractor, a mechanic, a lessor leasing construction and other equipment and tools, whether or not an operator is also provided by the lessor, a journeyman, a laborer, or any other person performing labor or furnishing materials or machinery, including the leasing of equipment or tools, for:

- (1) the erection, alteration, repair, or removal of:
 - (A) a house, mill, manufactory, or other building; or
 - (B) a bridge, reservoir, system of waterworks, or other structure;
- (2) the construction, alteration, repair, or removal of a walk or sidewalk located on the land or bordering the land, a stile, a well, a drain, a drainage ditch, a sewer, or a cistern; or
- (3) any other earth moving operation;

may have a lien as set forth in this section.

(b) A person described in subsection (a) may have a lien separately or jointly upon the:

- (1) house, mill, manufactory, or other building, bridge, reservoir, system of waterworks, or other structure, sidewalk, walk, stile, well, drain, drainage ditch, sewer, cistern, or earth:
 - (A) that the person erected, altered, repaired, moved, or removed; or
 - (B) for which the person furnished materials or machinery of any description; and
- (2) on the interest of the owner of the lot or parcel of land:
 - (A) on which the structure or improvement stands; or
 - (B) with which the structure or improvement is connected;

to the extent of the value of any labor done or the material furnished, or both, including any use of the leased equipment and tools.

(c) All claims for wages of mechanics and laborers employed in or about a shop, mill, wareroom, storeroom, manufactory or structure, bridge, reservoir, system of waterworks or other structure, sidewalk,

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walk, stile, well, drain, drainage ditch, cistern, or any other earth moving operation shall be a lien on all the:

- (1) machinery;
- (2) tools;
- (3) stock;
- (4) material; or
- (5) finished or unfinished work;

located in or about the shop, mill, wareroom, storeroom, manufactory or other building, bridge, reservoir, system of waterworks, or other structure, sidewalk, walk, stile, well, drain, drainage ditch, sewer, cistern, or earth used in a business.

(d) If the person, firm, limited liability company, or corporation described in subsection (a) is in failing circumstances, the claims described in this section shall be preferred debts whether a claim or notice of lien has been filed.

(e) Subject to subsection (f), a contract:

- (1) for the construction, alteration, or repair of a Class 2 structure (as defined in IC 22-12-1-5);
- (2) for the construction, alteration, or repair of an improvement on the same real estate auxiliary to a Class 2 structure (as defined in IC 22-12-1-5);
- (3) for the construction, alteration, or repair of property that is:
 - (A) owned, operated, managed, or controlled by a:
 - (i) public utility (as defined in IC 8-1-2-1);
 - (ii) municipally owned utility (as defined in IC 8-1-2-1);
 - (iii) joint agency (as defined in IC 8-1-2.2-2);
 - (iv) rural electric membership corporation formed under IC 8-1-13-4;
 - (v) rural telephone cooperative corporation formed under IC 8-1-17; or
 - (vi) not-for-profit utility (as defined in IC 8-1-2-125);

regulated under IC 8; and

(B) intended to be used and useful for the production, transmission, delivery, or furnishing of heat, light, water, telecommunications services, or power to the public; or

(4) to prepare property for Class 2 residential construction;

may include a provision or stipulation in the contract of the owner and principal contractor that a lien may not attach to the real estate, building, structure or any other improvement of the owner.

(f) A contract containing a provision or stipulation described in subsection (e) must meet the requirements of this subsection to be valid against subcontractors, mechanics, journeymen, laborers, or persons

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performing labor upon or furnishing materials or machinery for the property or improvement of the owner. The contract must:

- (1) be in writing;
- (2) contain specific reference by legal description of the real estate to be improved;
- (3) be acknowledged as provided in the case of deeds; and
- (4) be filed and recorded in the recorder's office of the county in which the real estate, building, structure, or other improvement is situated not more than five (5) days after the date of execution of the contract.

A contract containing a provision or stipulation described in subsection (e) does not affect a lien for labor, material, or machinery supplied before the filing of the contract with the recorder.

(g) Upon the filing of a contract under subsection (f), the recorder shall:

- (1) record the contract at length in the order of the time it was received in books provided by the recorder for that purpose;
- (2) index the contract in the name of the:
 - (A) contractor; and
 - (B) owner;
- in books kept for that purpose; and
- (3) collect a fee for recording the contract as is provided for the recording of deeds and mortgages.

(h) A person, firm, partnership, limited liability company, or corporation that sells or furnishes on credit any material, labor, or machinery for the alteration or repair of an owner occupied single or double family dwelling or the appurtenances or additions to the dwelling to:

- (1) a contractor, subcontractor, mechanic; or
- (2) anyone other than the occupying owner or the owner's legal representative;

must furnish to the occupying owner of the parcel of land where the material, labor, or machinery is delivered a written notice of the delivery or work and of the existence of lien rights not later than thirty (30) days after the date of first delivery or labor performed. The furnishing of the notice is a condition precedent to the right of acquiring a lien upon the lot or parcel of land or the improvement on the lot or parcel of land.

(i) A person, firm, partnership, limited liability company, or corporation that sells or furnishes on credit material, labor, or machinery for the original construction of a single or double family dwelling for the intended occupancy of the owner upon whose real

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estate the construction takes place to a contractor, subcontractor, mechanic, or anyone other than the owner or the owner's legal representatives must:

(1) furnish the owner of the real estate:

(A) as named in the latest entry in the transfer books described in IC 6-1.1-5-4 of the county auditor; or

(B) if IC 6-1.1-5-9 applies, as named in the transfer books of the township assessor **or the county assessor**;

with a written notice of the delivery or labor and the existence of lien rights not later than sixty (60) days after the date of the first delivery or labor performed; and

(2) file a copy of the written notice in the recorder's office of the county not later than sixty (60) days after the date of the first delivery or labor performed.

The furnishing and filing of the notice is a condition precedent to the right of acquiring a lien upon the real estate or upon the improvement constructed on the real estate.

(j) A lien for material or labor in original construction does not attach to real estate purchased by an innocent purchaser for value without notice of a single or double family dwelling for occupancy by the purchaser unless notice of intention to hold the lien is recorded under section 3 of this chapter before recording the deed by which the purchaser takes title.

SECTION 62. IC 32-28-3-3, AS ADDED BY P.L.2-2002, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) Except as provided in subsection (b), a person who wishes to acquire a lien upon property, whether the claim is due or not, must file in duplicate a sworn statement and notice of the person's intention to hold a lien upon the property for the amount of the claim:

(1) in the recorder's office of the county; and

(2) not later than ninety (90) days after performing labor or furnishing materials or machinery described in section 1 of this chapter.

The statement and notice of intention to hold a lien may be verified and filed on behalf of a client by an attorney registered with the clerk of the supreme court as an attorney in good standing under the requirements of the supreme court.

(b) This subsection applies to a person that performs labor or furnishes materials or machinery described in section 1 of this chapter related to a Class 2 structure (as defined in IC 22-12-1-5) or an improvement on the same real estate auxiliary to a Class 2 structure (as defined in IC 22-12-1-5). A person who wishes to acquire a lien upon

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property, whether the claim is due or not, must file in duplicate a sworn statement and notice of the person's intention to hold a lien upon the property for the amount of the claim:

- (1) in the recorder's office of the county; and
- (2) not later than sixty (60) days after performing labor or furnishing materials or machinery described in section 1 of this chapter.

The statement and notice of intention to hold a lien may be verified and filed on behalf of a client by an attorney registered with the clerk of the supreme court as an attorney in good standing under the requirements of the supreme court.

(c) A statement and notice of intention to hold a lien filed under this section must specifically set forth:

- (1) the amount claimed;
- (2) the name and address of the claimant;
- (3) the owner's:
 - (A) name; and
 - (B) latest address as shown on the property tax records of the county; and
- (4) the:
 - (A) legal description; and
 - (B) street and number, if any;
 of the lot or land on which the house, mill, manufactory or other buildings, bridge, reservoir, system of waterworks, or other structure may stand or be connected with or to which it may be removed.

The name of the owner and legal description of the lot or land will be sufficient if they are substantially as set forth in the latest entry in the transfer books described in IC 6-1.1-5-4 of the county auditor or, if IC 6-1.1-5-9 applies, the transfer books of the township assessor **or the county assessor** at the time of filing of the notice of intention to hold a lien.

(d) The recorder shall:

- (1) mail, first class, one (1) of the duplicates of the statement and notice of intention to hold a lien to the owner named in the statement and notice not later than three (3) business days after recordation;
- (2) post records as to the date of the mailing; and
- (3) collect a fee of two dollars (\$2) from the lien claimant for each statement and notice that is mailed.

The statement and notice shall be addressed to the latest address of the owner as specifically set out in the sworn statement and notice of the

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person intending to hold a lien upon the property.

SECTION 63. IC 36-1-8-14.2, AS ADDED BY P.L.186-2001, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 14.2. (a) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

(1) Assessed value.

(2) Exemption.

(3) Owner.

(4) Person.

(5) Property taxation.

(6) Real property.

~~(7) Township assessor.~~

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) As used in this section, "property owner" means the owner of real property described in IC 6-1.1-10-16.7.

(d) Subject to the approval of a property owner, the governing body of a political subdivision may adopt an ordinance to require the property owner to pay PILOTS at times set forth in the ordinance with respect to real property that is subject to an exemption under IC 6-1.1-10-16.7, if the improvements that qualify the real property for an exemption were begun or acquired after December 31, 2001. The ordinance remains in full force and effect until repealed or modified by the governing body, subject to the approval of the property owner.

(e) The PILOTS must be calculated so that the PILOTS are in an amount equal to the amount of property taxes that would have been levied by the governing body for the political subdivision upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation.

(f) PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the real property described in subsection (d). The:

(1) elected township assessors under IC 36-6-5-1; or

(2) county assessors for townships in which the county assessor assesses real property;

shall assess the real property described in subsection (d) as though the property were not subject to an exemption.

(g) PILOTS collected under this section shall be deposited in the affordable housing fund established under IC 5-20-5-15.5 and used for any purpose for which the affordable housing fund may be used.

(h) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS

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shall be treated in the same manner as taxes for purposes of all procedural and substantive provisions of law.

(i) This section does not apply to a county that contains a consolidated city or to a political subdivision of the county.

SECTION 64. IC 36-2-6-22, AS AMENDED BY P.L.1-2002, SECTION 155, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 22. (a) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

(1) Assessed value.

(2) Exemption.

(3) Owner.

(4) Person.

(5) Property taxation.

(6) Real property.

~~(7) Township assessor.~~

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) As used in this section, "property owner" means the owner of real property described in IC 6-1.1-10-16.7 that is not located in a county containing a consolidated city.

(d) Subject to the approval of a property owner, the fiscal body of a county may adopt an ordinance to require the property owner to pay PILOTS at times set forth in the ordinance with respect to real property that is subject to an exemption under IC 6-1.1-10-16.7. The ordinance remains in full force and effect until repealed or modified by the legislative body, subject to the approval of the property owner.

(e) The PILOTS must be calculated so that the PILOTS are in an amount equal to the amount of property taxes that would have been levied upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation.

(f) PILOTS shall be imposed in the same manner as property taxes and shall be based on the assessed value of the real property described in subsection (d). The:

(1) elected township assessors under IC 36-6-5-1; or

(2) county assessors for townships in which the county assessor assesses real property;

shall assess the real property described in subsection (d) as though the property were not subject to an exemption.

(g) PILOTS collected under this section shall be distributed in the same manner as if they were property taxes being distributed to taxing units in the county.

(h) PILOTS shall be due as set forth in the ordinance and bear

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1 interest, if unpaid, as in the case of other taxes on property. PILOTS
 2 shall be treated in the same manner as taxes for purposes of all
 3 procedural and substantive provisions of law.

4 SECTION 65. IC 36-2-15-5, AS AMENDED BY P.L.90-2002,
 5 SECTION 469, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2004]: Sec. 5. (a) The county assessor shall
 7 perform the functions assigned by statute to the county assessor,
 8 including the following:

- 9 (1) Countywide equalization.
- 10 (2) Selection and maintenance of a countywide computer system.
- 11 (3) Certification of gross assessments to the county auditor.
- 12 (4) Discovery of omitted property.

13 **(5) Assessment of real property under IC 6-1.1-4-15.**

14 (b) The county assessor shall perform the functions of an assessing
 15 official under IC 36-6-5-2 in a township with a township
 16 assessor-trustee if the township assessor-trustee:

- 17 (1) fails to make a report that is required by law;
- 18 (2) fails to deliver a property tax record to the appropriate officer
 19 or board;
- 20 (3) fails to deliver an assessment to the county assessor; or
- 21 (4) fails to perform any other assessing duty as required by statute
 22 or rule of the department of local government finance;

23 within the time period prescribed by statute or rule of the department
 24 or within a later time that is necessitated by reason of another official
 25 failing to perform the official's functions in a timely manner.

26 (c) A township with a township trustee-assessor may, with the
 27 consent of the township board, enter into an agreement with:

- 28 (1) the county assessor; or
- 29 (2) another township assessor in the county;

30 to perform any of the functions of an assessing official. A township
 31 trustee-assessor may not contract for the performance of any function
 32 for a period of time that extends beyond the completion of the township
 33 trustee-assessor's term of office.

34 SECTION 66. IC 36-3-2-10 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 10. (a) The general
 36 assembly finds the following:

- 37 (1) That the tax base of the consolidated city and the county have
 38 been significantly eroded through the ownership of tangible
 39 property by separate municipal corporations and other public
 40 entities that operate as private enterprises yet are exempt or whose
 41 property is exempt from property taxation.
- 42 (2) That to restore this tax base and provide a proper allocation of

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the cost of providing governmental services the legislative body of the consolidated city and county should be authorized to collect payments in lieu of taxes from these public entities.

(3) That the appropriate maximum payments in lieu of taxes would be the amount of the property taxes that would be paid if the tangible property were not subject to an exemption.

(b) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

(1) Assessed value.

(2) Exemption.

(3) Owner.

(4) Person.

(5) Personal property.

(6) Property taxation.

(7) Tangible property.

(8) Township assessor.

(c) As used in this section, "PILOTS" means payments in lieu of taxes.

(d) As used in this section, "public entity" means any of the following government entities in the county:

(1) An airport authority operating under IC 8-22-3.

(2) A capital improvement board of managers under IC 36-10-9.

(3) A building authority operating under IC 36-9-13.

(4) A wastewater treatment facility.

(e) The legislative body of the consolidated city may adopt an ordinance to require a public entity to pay PILOTS at times set forth in the ordinance with respect to:

(1) tangible property of which the public entity is the owner or the lessee and that is subject to an exemption;

(2) tangible property of which the owner is a person other than a public entity and that is subject to an exemption under IC 8-22-3;

or

(3) both.

The ordinance remains in full force and effect until repealed or modified by the legislative body.

(f) The PILOTS must be calculated so that the PILOTS may be in any amount that does not exceed the amount of property taxes that would have been levied by the legislative body for the consolidated city and county upon the tangible property described in subsection (e) if the property were not subject to an exemption from property taxation.

(g) PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the tangible property described in subsection

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(e). The township ~~assessors~~ **assessor** shall assess the ~~tangible~~ **personal** property described in subsection (e) **and:**

(1) the elected township assessor; or

(2) the county assessor for a township in which the county assessor assesses real property;

shall assess the real property described in subsection (e) as though the property were not subject to an exemption. The public entity shall report the value of personal property in a manner consistent with IC 6-1.1-3.

(h) Notwithstanding any law to the contrary, a public entity is authorized to pay PILOTS imposed under this section from any legally available source of revenues. The public entity may consider these payments to be operating expenses for all purposes.

(i) PILOTS shall be deposited in the consolidated county fund and used for any purpose for which the consolidated county fund may be used.

(j) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as taxes for purposes of all procedural and substantive provisions of law.

(k) PILOTS imposed on a wastewater treatment facility may be paid only from the cash earnings of the facility remaining after provisions have been made to pay for current obligations, including:

- (1) operating and maintenance expenses;
- (2) payment of principal and interest on any bonded indebtedness;
- (3) depreciation or replacement fund expenses;
- (4) bond and interest sinking fund expenses; and
- (5) any other priority fund requirements required by law or by any bond ordinance, resolution, indenture, contract, or similar instrument binding on the facility.

SECTION 67. IC 36-3-2-11, AS AMENDED BY P.L.1-2003, SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 11. (a) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

- (1) Assessed value.
- (2) Exemption.
- (3) Owner.
- (4) Person.
- (5) Property taxation.
- (6) Real property.
- ~~(7) Township assessor.~~

(b) As used in this section, "PILOTS" means payments in lieu of

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1 taxes.

2 (c) As used in this section, "property owner" means the owner of real
3 property described in IC 6-1.1-10-16.7 that is located in a county with
4 a consolidated city.

5 (d) Subject to the approval of a property owner, the legislative body
6 of the consolidated city may adopt an ordinance to require the property
7 owner to pay PILOTS at times set forth in the ordinance with respect
8 to real property that is subject to an exemption under IC 6-1.1-10-16.7.
9 The ordinance remains in full force and effect until repealed or
10 modified by the legislative body, subject to the approval of the property
11 owner.

12 (e) The PILOTS must be calculated so that the PILOTS are in an
13 amount that is:

14 (1) agreed upon by the property owner and the legislative body of
15 the consolidated city;

16 (2) a percentage of the property taxes that would have been levied
17 by the legislative body for the consolidated city and the county
18 upon the real property described in subsection (d) if the property
19 were not subject to an exemption from property taxation; and

20 (3) not more than the amount of property taxes that would have
21 been levied by the legislative body for the consolidated city and
22 county upon the real property described in subsection (d) if the
23 property were not subject to an exemption from property taxation.

24 (f) PILOTS shall be imposed as are property taxes and shall be based
25 on the assessed value of the real property described in subsection (d).
26 The:

27 **(1) elected township assessors assessor; or**

28 **(2) county assessor for a township in which the county assessor**
29 **assesses real property;**

30 shall assess the real property described in subsection (d) as though the
31 property were not subject to an exemption.

32 (g) PILOTS collected under this section shall be deposited in the
33 housing trust fund established under IC 36-7-15.1-35.5 and used for
34 any purpose for which the housing trust fund may be used.

35 (h) PILOTS shall be due as set forth in the ordinance and bear
36 interest, if unpaid, as in the case of other taxes on property. PILOTS
37 shall be treated in the same manner as taxes for purposes of all
38 procedural and substantive provisions of law.

39 SECTION 68. IC 36-3-7-5 IS AMENDED TO READ AS FOLLOWS
40 [EFFECTIVE JULY 1, 2004]: Sec. 5. (a) Liens for taxes levied by the
41 consolidated city are perfected when certified to the auditor of the
42 county.

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(b) Liens created when the city enters upon property to make improvements to bring it into compliance with a city ordinance, and liens created upon failure to pay charges assessed by the city for services shall be certified to the auditor, after the adoption of a resolution confirming the incurred expense by the appropriate city department, board, or other agency. In addition, the resolution must state the name of the owner as it appears on the township assessor's **or county assessor's** record and a description of the property. These liens are perfected when certified to the auditor.

(c) The amount of a perfected lien shall be placed on the tax duplicate by the auditor in the nature of a delinquent tax subject to enforcement and collection as otherwise provided under IC 6-1.1-22, IC 6-1.1-24, and IC 6-1.1-25. However, the amount of the lien is not considered a tax within the meaning of IC 6-1.1-21-2(b) and shall not be included as a part of either a total county tax levy under IC 6-1.1-21-2(g) or the tax liability of a taxpayer under IC 6-1.1-21-5 for purposes of the tax credit computations under IC 6-1.1-21-4 and IC 6-1.1-21-5.

SECTION 69. IC 36-5-1-3, AS AMENDED BY P.L.241-1999, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. A petition for incorporation must be accompanied by the following items, to be supplied at the expense of the petitioners:

(1) A survey, certified by a surveyor registered under IC 25-21.5, showing the boundaries of and quantity of land contained in the territory sought to be incorporated.

(2) An enumeration of the territory's residents and landowners and their mailing addresses, completed not more than thirty (30) days before the time of filing of the petition and verified by the persons supplying it.

(3) A statement of the assessed valuation of all real property within the territory, certified by:

(A) the assessors elected township assessor under IC 36-6-5-1 of the townships township in which the territory is located; or

(B) the county assessor for a township in which the county assessor assesses real property.

(4) A statement of the services to be provided to the residents of the proposed town and the approximate times at which they are to be established.

(5) A statement of the estimated cost of the services to be provided and the proposed tax rate for the town.

(6) The name to be given to the proposed town.

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SECTION 70. IC 36-6-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) This section applies to townships that do not have an elected or appointed and qualified township assessor.

(b) **Except as provided in subsection (c),** the township executive shall perform all the duties and has all the rights and powers of assessor. If a township qualifies under IC 36-6-5-1 to elect a township assessor, the executive shall continue to serve as assessor until an assessor is appointed or elected and qualified.

(c) **The township executive may not determine real property tax assessments for assessment dates after December 31, 2004.**

(d) The bond filed by the executive in ~~his~~ **the executive's** capacity as executive also covers ~~his~~ **the executive's** duties as assessor.

SECTION 71. IC 36-6-8-6, AS AMENDED BY P.L.198-2001, SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. (a) ~~A~~ **An elected** township assessor **under IC 36-6-5-1** who becomes a certified level 2 Indiana assessor-appraiser is entitled to a salary increase of one thousand dollars (\$1,000) after the assessor's certification under IC 6-1.1-35.5.

(b) A certified level 2 Indiana assessor-appraiser who replaces ~~a~~ **an elected** township assessor **under IC 36-6-5-1** who is not so certified is entitled to a salary of one thousand dollars (\$1,000) more than the salary of the person's predecessor.

(c) An employee of ~~a~~ **an elected** township assessor **under IC 36-6-5-1** who becomes a certified level 2 Indiana assessor-appraiser is entitled to a salary increase of five hundred dollars (\$500) after the employee's certification under IC 6-1.1-35.5.

(d) A salary increase under this section comprises a part of the township assessor's or employee's base salary for as long as the person serves in that position and maintains the level 2 certification.

SECTION 72. IC 36-7-4-608.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 608.5. (a) In the case of a proposal to amend a zoning map under section 608 of this chapter, the legislative body of the consolidated city shall adopt an ordinance as follows:

(1) Requiring the plan commission to provide written notice of the proposed amendment to **the county assessor and:**

(A) the township legislative body; and

(B) the township assessor;

of the township where the property is located.

(2) Setting out the procedures by which the township legislative body may request the plan commission to conduct a public hearing

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in the township where the property is located.

(b) If requested by a township legislative body under subsection (a)(2), the plan commission shall conduct a public hearing in the township where the property is located. The hearing shall be conducted in accordance with section 604 of this chapter and be scheduled at a time determined by the township legislative body to maximize the opportunity for township residents to participate in the public hearing.

SECTION 73. IC 36-7-11.3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. As used in this chapter, "notice" means written notice:

(1) served personally upon the person, official, or office entitled to the notice; or

(2) served upon the person, official, or office by placing the notice in the United States mail, first class postage prepaid, properly addressed to the person, official, or office. Notice is considered served if mailed in the manner prescribed by this subdivision properly addressed to the following:

(A) The governor, both to the address of the governor's official residence and to the governor's executive office in Indianapolis.

(B) The Indiana department of transportation, to the commissioner.

(C) The department of natural resources, both to the director of the department and to the director of the department's division of historic preservation and archeology.

(D) The municipal plan commission.

(E) An occupant, to:

(i) the person by name; or

(ii) if the name is unknown, to the "occupant" at the address of the primary or secondary property occupied by the person.

(F) An owner, to the person by the name shown to be the name of the owner, and at the person's address, as appears in the records in the bound volumes of the most recent real estate tax assessment records as the records appear in the offices of:

(i) the **elected** township assessors **under IC 36-6-5-1** in the county; **or**

(ii) **the county assessor.**

(G) The society, to the organization at the latest address as shown in the records of the commission.

SECTION 74. IC 36-7-11.3-52 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 52. (a) A person who has filed a petition under section 50 or 51 of this chapter shall, not later than ten (10) days after the filing, serve notice upon all interested

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parties. The notice must state the following:

(1) The full name and address of the following:

(A) The petitioner.

(B) Each attorney acting for and on behalf of the petitioner.

(2) The street address of the primary and secondary property for which the petition was filed.

(3) The name of the owner of the property.

(4) The full name and address of and the type of business, if any, conducted by:

(A) each person who at the time of the filing is a party to; and

(B) each person who is a disclosed or an undisclosed principal for whom the party was acting as agent in entering into;

a contract of sale, lease, option to purchase or lease, agreement to build or develop, or other written agreement of any kind or nature concerning the subject property or the present or future ownership, use, occupancy, possession, or development of the subject property.

(5) A description of the contract of sale, lease, option to purchase or lease, agreement to build or develop, or other written agreement sufficient to disclose the full nature of the interest of the party or of the party's principal in the subject property or in the present or future ownership, use, occupancy, possession, or development of the subject property.

(6) A description of the proposed use for which the rezoning or zoning variance is sought, sufficiently detailed to appraise the notice recipient of the true character, nature, extent, and physical properties of the proposed use.

(7) The date of the filing of the petition.

(8) The date, time, and place of the next regular meeting of the commission if a petition is for approval of a zoning variance. If a petition is filed with the development commission, the notice does not have to specify the date of a hearing before the commission or the development commission. However, the person filing the petition shall give ten (10) days notice of the date, time, and place of a hearing before the commission on the petition after the referral of the petition to the commission by the development commission.

(b) For purposes of giving notice to the interested parties who are owners, the records in the bound volumes of the recent real estate tax assessment records as the records appear in the offices of:

(1) the **elected** township assessors **under IC 36-6-5-1; or**

(2) the **county assessor;**

as of the date of filing are considered determinative of the persons who

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1 are owners.

2 SECTION 75. IC 36-7-14-39, AS AMENDED BY P.L.192-2002(ss),
3 SECTION 177, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2004]: Sec. 39. (a) As used in this section:

5 "Allocation area" means that part of a blighted area to which an
6 allocation provision of a declaratory resolution adopted under section
7 15 of this chapter refers for purposes of distribution and allocation of
8 property taxes.

9 "Base assessed value" means the following:

10 (1) If an allocation provision is adopted after June 30, 1995, in a
11 declaratory resolution or an amendment to a declaratory resolution
12 establishing an economic development area:

13 (A) the net assessed value of all the property as finally
14 determined for the assessment date immediately preceding the
15 effective date of the allocation provision of the declaratory
16 resolution, as adjusted under subsection (h); plus

17 (B) to the extent that it is not included in clause (A), the net
18 assessed value of property that is assessed as residential property
19 under the rules of the department of local government finance,
20 as finally determined for any assessment date after the effective
21 date of the allocation provision.

22 (2) If an allocation provision is adopted after June 30, 1997, in a
23 declaratory resolution or an amendment to a declaratory resolution
24 establishing a blighted area:

25 (A) the net assessed value of all the property as finally
26 determined for the assessment date immediately preceding the
27 effective date of the allocation provision of the declaratory
28 resolution, as adjusted under subsection (h); plus

29 (B) to the extent that it is not included in clause (A), the net
30 assessed value of property that is assessed as residential property
31 under the rules of the department of local government finance,
32 as finally determined for any assessment date after the effective
33 date of the allocation provision.

34 (3) If:

35 (A) an allocation provision adopted before June 30, 1995, in a
36 declaratory resolution or an amendment to a declaratory
37 resolution establishing a blighted area expires after June 30,
38 1997; and

39 (B) after June 30, 1997, a new allocation provision is included
40 in an amendment to the declaratory resolution;

41 the net assessed value of all the property as finally determined for
42 the assessment date immediately preceding the effective date of the

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allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded portion of the area added after June 30, 1995.

(6) If an allocation area established in a blighted area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded portion of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes, taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter before January 1, 2006, may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution before January 1, 2006, in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of

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the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the blighted area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements in or serving that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this

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chapter) in or serving that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in or serving that allocation area under any lease entered into under IC 36-1-10.

(I) Pay all or a portion of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

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However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made ~~within~~ **not later than** three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the commission.

(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1). The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, ~~each assessor shall~~, upon petition of the redevelopment commission **and effective on the next assessment date after the petition:**

- (1) **each township assessor shall** reassess the taxable **personal**

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property; and

(2) each:

(A) elected township assessor under IC 36-6-5-1; or

(B) county assessor for a township in which the county assessor assesses real property;

shall reassess the taxable real property;

situated upon or in, or added to, the allocation area. ~~effective on the next assessment date after the petition.~~

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 4-4-6.1, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the portion of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where

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reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that portion of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 76. IC 36-7-15.1-26, AS AMENDED BY P.L.90-2002, SECTION 479, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a blighted area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution

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1 establishing a blighted area:

2 (A) the net assessed value of all the property as finally
3 determined for the assessment date immediately preceding the
4 effective date of the allocation provision of the declaratory
5 resolution, as adjusted under subsection (h); plus

6 (B) to the extent that it is not included in clause (A), the net
7 assessed value of property that is assessed as residential property
8 under the rules of the department of local government finance,
9 as finally determined for any assessment date after the effective
10 date of the allocation provision.

11 (3) If:

12 (A) an allocation provision adopted before June 30, 1995, in a
13 declaratory resolution or an amendment to a declaratory
14 resolution establishing a blighted area expires after June 30,
15 1997; and

16 (B) after June 30, 1997, a new allocation provision is included
17 in an amendment to the declaratory resolution;

18 the net assessed value of all the property as finally determined for
19 the assessment date immediately preceding the effective date of the
20 allocation provision adopted after June 30, 1997, as adjusted under
21 subsection (h).

22 (4) Except as provided in subdivision (5), for all other allocation
23 areas, the net assessed value of all the property as finally
24 determined for the assessment date immediately preceding the
25 effective date of the allocation provision of the declaratory
26 resolution, as adjusted under subsection (h).

27 (5) If an allocation area established in an economic development
28 area before July 1, 1995, is expanded after June 30, 1995, the
29 definition in subdivision (1) applies to the expanded portion of the
30 area added after June 30, 1995.

31 (6) If an allocation area established in a blighted area before July
32 1, 1997, is expanded after June 30, 1997, the definition in
33 subdivision (2) applies to the expanded portion of the area added
34 after June 30, 1997.

35 Except as provided in section 26.2 of this chapter, "property taxes"
36 means taxes imposed under IC 6-1.1 on real property. However, upon
37 approval by a resolution of the redevelopment commission adopted
38 before June 1, 1987, "property taxes" also includes taxes imposed
39 under IC 6-1.1 on depreciable personal property. If a redevelopment
40 commission adopted before June 1, 1987, a resolution to include within
41 the definition of property taxes taxes imposed under IC 6-1.1 on
42 depreciable personal property that has a useful life in excess of eight

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(8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A resolution adopted under section 8 of this chapter before January 1, 2006, may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution before January 1, 2006, in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the blighted area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

- (A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

- (A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

- (B) Establish, augment, or restore the debt service reserve for

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bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements in that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) in that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made **within not later than** three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocated area will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and

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interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Notify the county auditor of the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, ~~each assessor shall~~, upon petition of the **redevelopment commission and effective on the next assessment date after the petition:**

(1) each township assessor shall reassess the taxable personal property; and

(2) each:

(A) elected township assessor under IC 36-6-5-1; or

(B) county assessor for a township in which the county assessor assesses real property;

shall reassess the taxable real property;

situated upon or in, or added to, the allocation area. ~~effective on the next assessment date after the petition.~~

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone

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created under IC 4-4-6.1, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that portion of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the

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property tax proceeds allocated to the redevelopment district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 77. IC 36-7-15.1-53, AS AMENDED BY P.L.90-2002, SECTION 484, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 53. (a) As used in this section:

"Allocation area" means that part of a blighted area to which an allocation provision of a resolution adopted under section 40 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means:

- (1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus
- (2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Except as provided in section 55 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A resolution adopted under section 40 of this chapter before January 1, 2006, may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution before January 1, 2006, in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision must be approved by resolution of the legislative body of the excluded city and must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation

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1 area remain outstanding as of the expiration date, the allocation
 2 provision does not expire until all of the bonds or other obligations are
 3 no longer outstanding. The allocation provision may apply to all or part
 4 of the blighted area. The allocation provision must require that any
 5 property taxes subsequently levied by or for the benefit of any public
 6 body entitled to a distribution of property taxes on taxable property in
 7 the allocation area be allocated and distributed as follows:

8 (1) Except as otherwise provided in this section, the proceeds of
 9 the taxes attributable to the lesser of:

10 (A) the assessed value of the property for the assessment date
 11 with respect to which the allocation and distribution is made; or

12 (B) the base assessed value;

13 shall be allocated to and, when collected, paid into the funds of the
 14 respective taxing units.

15 (2) Except as otherwise provided in this section, property tax
 16 proceeds in excess of those described in subdivision (1) shall be
 17 allocated to the redevelopment district and, when collected, paid
 18 into a special fund for that allocation area that may be used by the
 19 redevelopment district only to do one (1) or more of the following:

20 (A) Pay the principal of and interest on any obligations payable
 21 solely from allocated tax proceeds that are incurred by the
 22 redevelopment district for the purpose of financing or
 23 refinancing the redevelopment of that allocation area.

24 (B) Establish, augment, or restore the debt service reserve for
 25 bonds payable solely or in part from allocated tax proceeds in
 26 that allocation area.

27 (C) Pay the principal of and interest on bonds payable from
 28 allocated tax proceeds in that allocation area and from the
 29 special tax levied under section 50 of this chapter.

30 (D) Pay the principal of and interest on bonds issued by the
 31 excluded city to pay for local public improvements in that
 32 allocation area.

33 (E) Pay premiums on the redemption before maturity of bonds
 34 payable solely or in part from allocated tax proceeds in that
 35 allocation area.

36 (F) Make payments on leases payable from allocated tax
 37 proceeds in that allocation area under section 46 of this chapter.

38 (G) Reimburse the excluded city for expenditures for local
 39 public improvements (which include buildings, park facilities,
 40 and other items set forth in section 45 of this chapter) in that
 41 allocation area.

42 (H) Reimburse the unit for rentals paid by it for a building or

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1 parking facility in that allocation area under any lease entered
2 into under IC 36-1-10.

3 (I) Reimburse public and private entities for expenses incurred
4 in training employees of industrial facilities that are located:

5 (i) in the allocation area; and

6 (ii) on a parcel of real property that has been classified as
7 industrial property under the rules of the department of local
8 government finance.

9 However, the total amount of money spent for this purpose in
10 any year may not exceed the total amount of money in the
11 allocation fund that is attributable to property taxes paid by the
12 industrial facilities described in this clause. The reimbursements
13 under this clause must be made ~~within~~ **not later than** three (3)
14 years after the date on which the investments that are the basis
15 for the increment financing are made.

16 The special fund may not be used for operating expenses of the
17 commission.

18 (3) Before July 15 of each year, the commission shall do the
19 following:

20 (A) Determine the amount, if any, by which property taxes
21 payable to the allocation fund in the following year will exceed
22 the amount of assessed value needed to provide the property
23 taxes necessary to make, when due, principal and interest
24 payments on bonds described in subdivision (2) plus the amount
25 necessary for other purposes described in subdivision (2) and
26 subsection (g).

27 (B) Notify the county auditor of the amount, if any, of excess
28 assessed value that the commission has determined may be
29 allocated to the respective taxing units in the manner prescribed
30 in subdivision (1).

31 The commission may not authorize an allocation to the respective
32 taxing units under this subdivision if to do so would endanger the
33 interests of the holders of bonds described in subdivision (2).

34 (c) For the purpose of allocating taxes levied by or for any taxing unit
35 or units, the assessed value of taxable property in a territory in the
36 allocation area that is annexed by any taxing unit after the effective
37 date of the allocation provision of the resolution is the lesser of:

38 (1) the assessed value of the property for the assessment date with
39 respect to which the allocation and distribution is made; or

40 (2) the base assessed value.

41 (d) Property tax proceeds allocable to the redevelopment district
42 under subsection (b)(2) may, subject to subsection (b)(3), be

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1 irrevocably pledged by the redevelopment district for payment as set
2 forth in subsection (b)(2).

3 (e) Notwithstanding any other law, each:

4 **(1) elected township assessor under IC 36-6-5-1; or**

5 **(2) county assessor for a township in which the county assessor**
6 **assesses real property;**

7 shall, upon petition of the commission, reassess the taxable property
8 situated upon or in, or added to, the allocation area, effective on the
9 next assessment date after the petition.

10 (f) Notwithstanding any other law, the assessed value of all taxable
11 property in the allocation area, for purposes of tax limitation, property
12 tax replacement, and formulation of the budget, tax rate, and tax levy
13 for each political subdivision in which the property is located, is the
14 lesser of:

15 (1) the assessed value of the property as valued without regard to
16 this section; or

17 (2) the base assessed value.

18 (g) If any part of the allocation area is located in an enterprise zone
19 created under IC 4-4-6.1, the unit that designated the allocation area
20 shall create funds as specified in this subsection. A unit that has
21 obligations, bonds, or leases payable from allocated tax proceeds under
22 subsection (b)(2) shall establish an allocation fund for the purposes
23 specified in subsection (b)(2) and a special zone fund. Such a unit
24 shall, until the end of the enterprise zone phase out period, deposit each
25 year in the special zone fund the amount in the allocation fund derived
26 from property tax proceeds in excess of those described in subsection
27 (b)(1) from property located in the enterprise zone that exceeds the
28 amount sufficient for the purposes specified in subsection (b)(2) for the
29 year. A unit that has no obligations, bonds, or leases payable from
30 allocated tax proceeds under subsection (b)(2) shall establish a special
31 zone fund and deposit all the property tax proceeds in excess of those
32 described in subsection (b)(1) in the fund derived from property tax
33 proceeds in excess of those described in subsection (b)(1) from
34 property located in the enterprise zone. The unit that creates the special
35 zone fund shall use the fund, based on the recommendations of the
36 urban enterprise association, for one (1) or more of the following
37 purposes:

38 (1) To pay for programs in job training, job enrichment, and basic
39 skill development designed to benefit residents and employers in
40 the enterprise zone. The programs must reserve at least one-half
41 (1/2) of the enrollment in any session for residents of the enterprise
42 zone.

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(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 78. IC 36-7-30-25, AS AMENDED BY P.L.192-2002(ss), SECTION 185, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 25. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base reuse area to which an allocation provision of a declaratory resolution adopted under section 10 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels

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identified as part of the base assessed value in the declaratory resolution or an amendment thereto, as finally determined for any subsequent assessment date; plus
(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Clause (C) applies only to allocation areas established in a military reuse area after June 30, 1997, and to the portion of an allocation area that was established before June 30, 1997, and that is added to an existing allocation area after June 30, 1997.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 10 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 13 of this chapter. The allocation provision may apply to all or part of the military base reuse area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the military base reuse district and, when collected, paid into an allocation fund for that allocation area that may be used by the military base reuse district and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the military base reuse district or any

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other entity for the purpose of financing or refinancing military base reuse activities in or directly serving or benefiting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the reuse authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the reuse authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 27 of this chapter in the same year.

(F) Pay expenses incurred by the reuse authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

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(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the reuse authority.

(3) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under IC 6-1.1-21.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be

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irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each:

(1) elected township assessor under IC 36-6-5-1; or

(2) county assessor for a township in which the county assessor assesses real property;

shall, upon petition of the reuse authority, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 4-4-6.1, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where

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reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that portion of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base reuse district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 79. IC 36-7-30-31 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 31. (a) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

(1) Assessed value.

(2) Owner.

(3) Person.

(4) Personal property.

(5) Property taxation.

(6) Tangible property.

(7) Township assessor.

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) The general assembly finds the following:

(1) That the closing of a military base in a unit results in an increased cost to the unit of providing governmental services to the area formerly occupied by the military base.

(2) That military base property held by a reuse authority is exempt from property taxation, resulting in the lack of an adequate tax base to support the increased governmental services.

(3) That to restore this tax base and provide a proper allocation of the cost of providing governmental services the fiscal body of the unit should be authorized to collect PILOTS from the reuse authority.

(4) That the appropriate maximum PILOTS would be the amount of the property taxes that would be paid if the tangible property

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were not exempt.

(d) The fiscal body of the unit may adopt an ordinance to require a reuse authority to pay PILOTS at times set forth in the ordinance with respect to tangible property of which the reuse authority is the owner or the lessee and that is exempt from property taxes. The ordinance remains in full force and effect until repealed or modified by the fiscal body.

(e) The PILOTS must be calculated so that the PILOTS do not exceed the amount of property taxes that would have been levied by the fiscal body for the unit upon the tangible property described in subsection (d) if the property were not exempt from property taxation.

(f) PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the tangible property described in subsection (d). The township ~~assessors~~ **assessor** shall assess the ~~tangible~~ **personal** property described in subsection (d). **The:**

(1) elected township assessor under IC 36-6-5-1; or

(2) county assessor for a township in which the county assessor assesses real property;

shall assess the real property described in subsection (d) as though the property were not exempt. The reuse authority shall report the value of personal property in a manner consistent with IC 6-1.1-3.

(g) Notwithstanding any other law, a reuse authority is authorized to pay PILOTS imposed under this section from any legally available source of revenues. The reuse authority may consider these payments to be operating expenses for all purposes.

(h) PILOTS shall be deposited in the general fund of the unit and used for any purpose for which the general fund may be used.

(i) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as property taxes for purposes of all procedural and substantive provisions of law.

SECTION 80. IC 36-7-32-17, AS ADDED BY P.L.192-2002(ss), SECTION 187, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 17. (a) An allocation provision adopted under section 15 of this chapter must:

(1) apply to the entire certified technology park; and

(2) require that any property tax on taxable property subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes in the certified technology park be allocated and distributed as provided in subsections (b) and (c).

(b) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

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(1) the assessed value of the taxable property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value; shall be allocated and, when collected, paid into the funds of the respective taxing units.

(c) Except as provided in subsection (d), all the property tax proceeds that exceed those described in subsection (b) shall be allocated to the redevelopment commission for the certified technology park and, when collected, paid into the certified technology park fund established under section 23 of this chapter.

(d) Before July 15 of each year, the redevelopment commission shall do the following:

(1) Determine the amount, if any, by which the property tax proceeds to be deposited in the certified technology park fund will exceed the amount necessary for the purposes described in section 23 of this chapter.

(2) Notify the county auditor of the amount, if any, of excess tax proceeds that the redevelopment commission has determined may be allocated to the respective taxing units in the manner prescribed in subsection (c). The redevelopment commission may not authorize an allocation of property tax proceeds under this subdivision if to do so would endanger the interests of the holders of bonds described in section 24 of this chapter.

(e) Notwithstanding any other law, ~~each assessor shall~~, upon petition of the redevelopment commission **and effective on the next assessment date after the petition:**

(1) each township assessor shall reassess the taxable personal property; and

(2) each:

(A) elected township assessor under IC 36-6-5-1; or

(B) county assessor for a township in which the county assessor assesses real property;

shall reassess the taxable real property;

situated upon or in, or added to, the certified technology park. ~~effective on the next assessment date after the petition:~~

(f) Notwithstanding any other law, the assessed value of all taxable property in the certified technology park, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the taxable property as valued without

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- 1 regard to this section; or
- 2 (2) the base assessed value.

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